

NEWS SUMMARY

BUSINESS

### Artan army pipe bombing

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### Gold index at 20-month low

GOLD MINING shares in the equities market took the brunt of fairly heavy selling, reacting to the fall in the price of gold. This was reflected in the gold mines index, which fell 21.7 to 235.2, its lowest since January 10, 1974. The FT 30 share index ended 9.5 down at 354.9.

GILTS were also assailed by sterling's weakness and the Government Securities index dropped 0.31 to 69.84.

WALL STREET closed 0.53 down at 119.85.

### to buy eigen missiles

RAF pilot Alastair Stedman has submitted a report to the Government, which would allow the purchase of a large number of German Eigen missiles. The report, which was submitted to the Ministry of Defence, states that the Eigen missile is a highly effective anti-aircraft weapon and that it would be a valuable addition to the RAF's arsenal.

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### anish talks

Spanish Ministers opened in Madrid with the Prime Minister on the mounting crisis in the Basque region. The Prime Minister, Juan Carlos, is expected to announce a new policy for the region.

### rut erupts

Lebanese militias battled in Beirut last night, as their three-day-old ceasefire collapsed for the second time. A government spokesman said that the fighting was confined to the city centre and that there were no casualties.

### rry on Ford

Two attempts on his life last month, President Ford is expected to announce a new policy for the region.

### ple and places

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### IEF PRICE CHANGES YESTERDAY

Share	Change
Glaxo	270 - 15
Waterbury	296 - 8
ICI	283 - 6
Kleinwort Benson	110 - 8
Laing (John) A	130 - 10
Lloyds Bank	230 - 10
Rank Org. A	140 - 10
Rowntree Macintosh	130 - 10
Standard	470 - 20
Tate & Lyle	218 - 8
Taylor Woodrow	285 - 11
Tubco	250 - 8
United Newspapers	207 - 7
Vickers	129 - 7
Wm. Hill	195 - 7
Durham Deep	440 - 60
F.S. Geddis	121 - 23
Pancontinental	315 - 33
Rand Selection	730 - 70
Southval	680 - 120
Union Carb.	335 - 40
24	33 - 4

## Rees tightens up Ulster security after bombings

BY GILES MERRITT: Belfast, September 23.

In the aftermath of Monday's intensive Provisional IRA bombing campaign, Ulster to-day saw a return to the harsher security methods of pre-ceasefire days.

The tougher measures decided by the British Government in the aftermath of the Provisional IRA bombing campaign in Belfast on Monday, September 22, have been put into effect today. The measures include a return to the harsher security methods of pre-ceasefire days.

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## Germany blocks adoption of new EEC budget

BY REGINALD DALE

GERMANY to-day took its campaign against the new EEC budget to the next stage. The German Government has announced that it will not support the budget unless it is amended to include a provision for a 10% increase in the rate of contribution to the EEC fund.

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## U.S. stake in Babcock sold

BY KEITH LEWIS

BABCOCK and Wilcox U.S. has sold its 23 per cent. equity stake in Babcock and Wilcox U.K. for some £11.2m. through a placing among various institutions, arranged by stockbrokers Moore and Company.

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## Ministers to reveal jobs plan to-day

By Richard Evans, Lobby Correspondent

THE GOVERNMENT'S measures to alleviate the rise in unemployment this winter, including the building of advance factories, more training for young people and other facilities for modernising industries which have run into difficulties, will be announced by three senior Ministers this afternoon.

But the measures will not give a guarantee of early full employment. Nor will there be a series of emergency employment relief schemes, Mr. Harold Wilson emphasised yesterday.

The full package will be unveiled at a Treasury news conference in London by Mr. Denis Healey, Chancellor of the Exchequer, flanked by the two Ministers most concerned with unemployment problems, Mr. Michael Foot, the Employment Secretary, and Mr. Eric Varley, Secretary for Industry.

The conference will confirm the message of a harsh winter ahead which Ministers will take to the Labour party conference next week, but they will be hopeful that this attempt to curb the seasonal winter rise in unemployment will stifle the most vocal criticism from the party's rank and file.

Mr. Wilson set the theme of the package yesterday when he said in a speech at Manchester that there were harsh months ahead at a time of year when seasonal factors invariably increased the numbers out of work.

A return to more normal conditions depended on movements in world trade, he argued, and there were beginning to be encouraging signs. "We shall be better fitted to seize the opportunities which will then face us by the fact that our cost structure is now under control and that we meet that challenge leaner, more taut and ready to show our muscles," the Prime Minister added.

## Gold falls \$6 to \$129 2/3 Pound down 2.65 cents to \$2.0450

BY COLIN MILLHAM

THE POLND fell sharply to yet another all-time low against the dollar on the foreign exchange market yesterday.

Under increased pressure, it lost a further 2.65 cents to close at \$2.0450.

Sterling suffered from expectations of increased Government borrowing as a result of the plans to reduce unemployment, to be announced to-day. It has also been affected by the mounting strength of the U.S. dollar, reflected in the weakness of other major currencies against the dollar.

The demand for the U.S. unit has also been a contributing factor to the dramatic decline in the price of gold recently.

Gold, which lost a further \$6 to \$129 2/3, is now at its lowest level since January, 1974, and touched \$128 during trading yesterday.

It has extended its decline to more than \$32 since the decision by the International Monetary Fund earlier this month to sell part of its holdings in the metal.

The market was slow to react to the 17.9 per cent. devaluation of the South African Rand on Sunday, but it did so with some force yesterday.

Sterling has now lost over 6 cents in one week, and at one point yesterday was traded as low as \$2.0355. The strength of the dollar is due to recent indications that the U.S. is recovering from the world recession at a faster rate than the European economies.

The dollar's trade-weighted depreciation of 1.15 per cent was at its best level since the beginning of 1974.

Market sources suggested that the Bank of England gave a modest amount of support to the pound, though other central banks were reported to have sold large amounts of dollars to assist their various currencies. Some of the largest intervention operations, estimated to involve between \$500m. and \$800m. took place in Amsterdam and Paris, and the West German authorities were believed to have sold at least \$50m. during the morning, followed by \$129m. when the dollar was fixed at a high for the year of DM2.3750.

The Bank of Italy gave help to the lira by sales of about \$20m., and this large support in Europe followed earlier reports of \$20m. sales by the Bank of Japan to support the yen at an intervention point of ¥305.

Guy de Junquieres writes: Sterling was quoted at \$2.0450, the same level as the London close, in late trading in New York, after a day of heavy and erratic movements.

At one point, sterling sank as low as \$2.0368 before hitting a day's high of \$2.0500, then falling back again.

Dealers attributed sterling's temporary rebound to the "shorting" of the dollar in the market. Trading slackened off somewhat after the close of the London market, they said.

£ in New York

	Sept. 23	Previous
Spot	\$2.0440-0.040	\$2.0720-0.027
1 month	0.12-0.07 bid	0.02-0.02 bid
3 months	1.30-1.25 bid	1.70-1.65 bid
6 months	6.50-6.50 bid	6.50-6.50 bid

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Hampstead Theatre Club

## The Ecstasy of Rita Joe

by B. A. YOUNG

At the great Swiss Cottage playhouse, where the buses go to Finchley, Go to Golders Green and Pinchley, Lies the Indian reservation Conjured up by Mr. Ryga.

All the phony romanticism of *Himantia* blossoms anew in George Ryga's play. It is an example of noble savagery. Rita Joe is a realistic, gritty, criminal, with a string of convictions, a vagrant, shoplifting, prostitute. Ah, but Rita Joe is an American (or to be more specific, a Canadian) Indian, so she must be forgiven her obstinate irresponsibility.

George Ryga was born in Canada and has lived there for 40 years, so no-doubt his picture of provincial Canadian life, with the Indians coming in from the reservation only to get drunk or take some mean job, is a true one. But Rita Joe (a kind of Indian Carmen, as Toby Robbins plays her) can hardly be allowed to act out her life as a petty criminal just because a century ago the white men came and stole all her forebears' lands. She probably knows next to nothing about the history of her people, anyway, and declines any free education she is offered.

She has little excuse for her delinquency, for her father David Joe (Donald Burton) is the chief of the tribe, a figure of tall traditional dignity who never actually says "How!" but looks

as if he might at any moment The blame must lie with her regular boyfriend Jaimie Paul (Bernard Lloyd), a quarrelsome drunk.

The play starts with Rita Joe before the magistrate, but there is little dialogue (in the current usage) between them, or indeed between anyone else. Characters turn to the audience and tell them what's going on: or if they do get involved in a conversation, they cut it short as soon as a single idea has been transmitted. The effect is of a woven pattern illustrating the shape of life on the fringe of the reservation. It is a sharp, informative pattern, but has only a modicum of dramatic interest, in spite of Nicholas Renton's picturesque production.

Although it is evident that Mr. Ryga's sympathies are with the Indians, he does not make them a particularly pleasant bunch. Only David Joe, who says things like "It is not clear like trees against the snow," is allowed self-respect. The young men are a lot of jokers whose resentment of the whites is no more comprehensible to an outsider than the resentment of an Irish Catholic for a Protestant; it is just something they have been brought up with. True, the white magistrate, judge, schoolteacher, shopkeeper—are themselves fairly short of understanding. They give them chest X-ray clinics, says the magistrate indignantly, and three-quarters of them

## Celebrity concert at Crosby

Victoria de Los Angeles is to give a gala celebrity recital to inaugurate Crosby's new civic hall opening on Monday, October 6. The concert is being sponsored by the Midland Bank, as part of its policy to assist worthwhile local community projects.

Crosby Civic Hall's opening concert is also the start of a two-week festival to celebrate the opening of the hall.

## Festival Hall

## Finnish Music

by GILLIAN WIDDICOMBE

It is 70 years since Sibelius was fined £2 6s by a Dover customs officer, for attempting to smuggle cigars, on his first British visit; and less than 20 since he died, aged 51. To understand how much the ownership of a figure such as Sibelius means to a country like Finland—where musical life may seem relatively provincial beside that of mainland Europe and the world's biggest cities, but is now healthily catering for both its metropolitan and rural communities—is hard for outsiders. A rough equivalent is to imagine in Hyde Park a huge metallic bust of Elgar, as beloved by the English as Sibelius is by the Finns.

Symphonic stretching of a tiny theme. Sometimes the harmonic idiom catches a peculiar reflection of Bruckner, as though the horns have borrowed something to break up the first movement's string soliloquies. Glimpses of skilful woodwind, and orchestral glitter are rare. The Bourne-mouth performance admirably caught the dark colours, with phrasing that was expressive and varied, but never over-rich or unsteady.

The concert began with a short four movement symphony by the distinguished Finnish composer Joonas Kokkonen (b. 1921). His Third, written in 1967, it proved an elegant, modest, but well-proportioned work in which a large orchestra is used fastidiously by a composer who believes, perhaps rather doubtfully, in the principles of symphonic argument, but does not extend them, like his master predecessor, André Tchaikovsky gave an interesting performance—part post, part piece of Rakhmaninov's Paganini Rhapsody.

The Fourth is the sad symphony, built rather simply on the interval of a fourth, and bounding it constantly through four relatively conventional movements, with scherzo second, loose-knit largo third, and fading finale. Its energy is very pure, and masterly, depending less on contrast and fierce rhythmic patterns than on bare, sustained

terms than on bare, sustained

Thanks to Collins, Beecham, and later Barbirolli, the British seem to have appreciated Sibelius more readily than say the French, German or Austrian public. And his effect on British composers in the 30s (particularly on Walton, whose *Violin Concerto* and *First*

terms than on bare, sustained



of Marie Bjornson's designs for the new production of Jarmen's 'Jenna' to be presented jointly by Welsh National and Scottish Opera. On the left, Sarena; the Foreman, right

vision

## A Good King Richard's Golden Days

by ANTHONY CURTIS

only ten years since Dimbleby went off the good? Watching the box it seems like another *Broadcasting Life* recalled him in all his jolly roles. Here he was, a pre-war panellist on radio, and then as the war correspondent on the 8th Army at Alamain; as a final anchor man of the *Panorama*, as the in-accumbant to the Great, spelling out the in- of the Coronation ceremony, and then as the of the president's funeral always with his of film material up his al joker pulling on a legs spaghetti-tree in a piece parody. In a state of deep undergirding the dramatic of Belsen when it had just berated. The programme led to a miniature history of the golden days.

Dimbleby should have been in the same week that a publication of *Reith's* anyone the true spirit of homo with all the Calvinistic of self-discipline and decorum it was to be. We poke fun at his pontifical

reasonably expert to find on television at this autumnal hour of launchings and restarings, when last year's blunders come to fruition, as this year's programmes. Maybe the season has been unduly slow to get off the ground but there is a sorry air of *déjà vu* about much that is billed as "new series" and so far we have not seen a single new presenter of anything on any channel.

Of the old-new the *Explorers* (BBC2) has got off to a goodish start in its first two episodes on the order of precedence. *Reith's* *Adams* and *C. M. Doughty*. David Attenborough tops and tails each programme from within the library of the Royal Geographical Society which is an admirable starting-point. He traces on a continent map where *reality* the chap went and fills us in about him *briefly*. From there we go straight into a highly structured dramatisation of his travels. The camera work is superb and the natives speak in their own tongues not in broken Hollywood English. *Adams* and *Doughty* team up at *each* other across the icecap in Norwegian and the

Bedouin likewise spoke in whenever Doughty stumbled into their midst.

Ian Rodger who scripted the *Adams* piece had a somewhat easier task than David Doughty who did Doughty, in that the conquest of the South Pole has an inherent element of dramatic tension which a pilgrimage to Mecca lacks. It emerged that *Adams* pipped Scott to the Pole because of his superior supply-base strategy and his cautious and controversial use of dog-power. He slaughtered the less robust dogs halfway through the outward trek and used their meat to feed and thus re-fuel the remainder of the pack and his men. This notorious "Butcher's Shop" episode was all too vividly simulated with *Adams* in his but trying to deafen himself to the sound of rifle-fire and the purity of the snow outside fouled with the bleeding carcasses of dead huskies.

In following Doughty's footsteps Mr. Howard mercifully had nothing quite as horrible as to offer but he made the most

of mirages and a sand-storm in which the explorer was severely blinded. He did, too, hint at the fascinatingly complex motivation in a man to whom mastery of the English language and preservation of its pristine richness was as great a compulsion as mastery of the desert and understanding of its peoples. Doughty was beautifully recreated in his Arab dress as gentle, fastidious, determined, mad.

A writer of our own time who has much of this complexity, though for "desert" substitute "jungle," is Graham Greene. As a novelist he has always seemed to me to be a much better explorer than he is a theologian. *Shades of Greene* (ATV), dramatisation of his short stories continued last week with *Cheep in August*, one of his best. An English wife of an American professor of literature who is approaching the watershed of age goes to Jamaica in the off-season in search of sexual adventure (why she could not find this on the campus which according to novelists like Allison Lurie who actually work there would be simply rampant with it is none too clearly explained). Anyhow she finds it all right, but rather against her will in the person of an elderly retired American gangster. The unlikely pair are drawn closer and closer together over bourbon and tears in the bedroom because she finds the spectacle of failure and rejection in an American so much more heart-warming than the familiar one of success and acceptance. The two antagonists were played to absolute perfection by Virginia McKenna and Leo McKern.

There is nothing heart-warming about a failed comedian, even a would-be one, as we discovered from *Laugh! I Could Have Cried* (ATV), a documentary about a school for comedians run by a retired comic in Manchester. Slim Wood was having a terrible time trying to get three of his pupils to put some muscle into their patter. The older the joke the more carefully it needs to be milked, as John Cleese proved in the first episode of "Fawlty Towers" (BBC2), a situation comedy series about a small private hotel run by the owner and his wife (Prunella Scales): on present form I would give it only two stars in the Guide Housebook, but it's early days. The best comedy of the week came however not from Cleese nor from Billy Dainty or Stanley Baxter but from the veteran team of Thorpe and Day who appeared for one night only at Scarborough. Here from memory, is part of their routine:

Day: Mr. Thorpe, some people think that your particular background, old-Etonian and so on, is not appropriate to the leader of a modern party aiming at making a wide appeal to the electorate.

Thorpe: Well, I think there are two people who are in no position to comment on that, one of them is me and the other is you.

Day (raising hands in air): Me! I'm not an old Etonian!

Thorpe: I never for a moment suggested you were — the thought of an old Etonian howl is horrifying.

Dimbleby would never have let himself be checkmated like that.

## Banking man-to-man

La banque, c'est une question d'hommes

Banken man kan snakke med

Bank-Service nach Maß

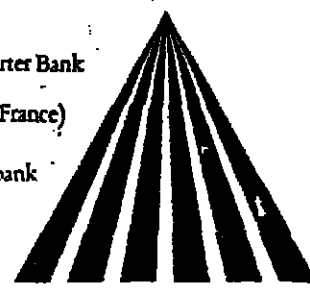
Bankzaken, recht op de man af

La banca su misura

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FT3

Juda Fine Art/Lisson Gallery

## Two modern sculptors by WILLIAM PACKER

ern sculpture remains a commendable simplicity: but y to many people. The she takes the idea of the chain, its very simplicity, dant device, and is at great pains to loom so large in the f the general viewer, as to him to other com de- Labouring under the expectation that Art must floor, or stretches itself away from the wall, holding aloft s itself. He finds himself easily a variety of bars and nured to take it as it is, beams and hooks.

It is a very simple conceit, the Indian rope trick done again, and carried through with great aplomb. But it could easily be overdone, the work becoming variations on the theme, little more than a trade-mark. This sense of a rounding off, a summing up of what is now several both concerned with silt- sorts in the round, is in any case the kind of dy Taylor's sculpture at fundamental changes. r 11), is inventive and en- and genuinely curious. in, time. Something rather different may soon be in store in, which she uses with for us.

In the meantime this body of work stands convincingly as sculpture, intriguing us by its strong physical identity, its clear articulation of space, and the perversity of the ideas for which it is the vehicle. Ideas stood physically on their heads can be most stimulating. Here it is all done by allowing each element in the work to be just itself, a hook, or beam or chain.

At the Lisson Gallery in Bell Street (until October 4) is some recent work by the American minimalist Don Judd. It too is sculpture that is explanatory, but much more of simple, even to a fault. Plain wooden boxes, that simply are boxes, and nothing more, project from the wall at a little below eye level. There are 12 of them, beautifully made and all apparently identical, save for the pattern of the grain on the surface. All have false backs to them, pointing the difference between the internal and external dimensions, our eyes being made subtly to gauge

these distinctions; and we may speculate too on the spaces thus sealed off.

So far so good, for the minimal point is not making; but it is possible to make too much of a good thing. Judd has made it many times, always elegant and economical, but just a shade repetitive perhaps. Here he does it again, times twelve; and it begins to hurt, like being beaten incessantly with lilies. His insistent aestheticism, and his assumption of perfection, fade insensibly into arrogance. Which the drawings confirm. They are perfunctory diagrams of other box projects, casually and badly drawn.

The Lisson Gallery itself, though small, is a fine space, always flattering the work shown in it, and, even empty, still affording real pleasure to the visitor, especially with the sun shining in downstairs. But such are the claims of purity implicit in its policy, the full and filthy ash-tray came as something of a surprise.



Leo McKern and Virginia McKenna in 'Cheep in August' (ATV)



## WORLD TRADE NEWS

## French Post Office considers Japanese telephone exchanges

BY CHRISTOPHER LORENZ

JAPANESE INDUSTRY has come closer than ever before to breaking into one of the most lucrative European markets for high technology—electronic telephone exchanges.

CIT-Alcatel, the only wholly French-owned telecommunications manufacturer—and therefore accorded considerable preference by the French Post Office—has tendered the Japanese DIO stored program controlled (SPC) exchange for its share in France's S200m-plus crash SPC programme to improve the national network of large local exchanges.

CIT, part of the CGE group which has been at the centre of this year's upheaval in the French electronics industry—along with the Franco-U.S. computer merger—is understood to have reached an agreement with a consortium of Japan's four main telecommunications companies—Nippon Electric, Fujitsu, Oki and Hitachi—which could give CIT's digital switching technology access to the Japanese market.

The DIO is an analogue switching system of the type decided on by the French Government to fill its immediate requirements

until the larger digital exchanges are proven.

At least six tenders were submitted before Monday's deadline for the S200m-plus programme, which involves the supply of 1m. lines from 1977 until 1980. CIT is part of a tender with the new AXE exchanges of its long-standing partner in France, L. M. Ericsson.

Thomson-Brandt, which now has extremely strained relations with CGE, submitted a tender based on the SP-1 equipment of Canada's North Electric.

Philips is also thought to have bid with its PRX technology, and another upset could be a bid from Societe Anonyme pour Telecommunications (SAT) with French electronics industry—along with the Franco-U.S. computer merger—is understood to have reached an agreement with a consortium of Japan's four main telecommunications companies—Nippon Electric, Fujitsu, Oki and Hitachi—which could give CIT's digital switching technology access to the Japanese market.

tem. CIT and Ericsson's French subsidiary having concentrated recently on developing all digital systems. These have been ordered for small exchanges, but the larger versions are more than a year away from full development. In contrast, the Canadian SP-1 and the Japanese D 10 have been installed in quantity for several years. Ericsson's AXE and Siemens' EWS are more recent systems.

## Kenya plans colour TV

By John Worrall

NAIROBI, Sept. 23

KENYA AIMS to have colour television in the near future. A feasibility study is being made, and subject to the result two stations may operate at Nairobi and Mombasa.

Zanzibar was the first African country to introduce colour TV, followed this year, by Uganda, whose small system became operative at the OAU summit meeting.

## Japan's new yen credit to Pakistan

By Iqbal Mirza

KARACHI, Sept. 23

JAPAN HAS extended \$23.3m. credit to finance Pakistan's imports. Mr. S. Araki, chief representative of the Export-Import Bank of Japan in Pakistan said here it was the twelfth yen credit extended to Pakistan.

Mr. S. M. Khan, Pakistan ambassador in Tokyo, said the loan was "partly untied," and Pakistani importers could utilise it to buy commodities from Japan or any other developing country.

He explained that Pakistani importers were required to float international tenders for deals exceeding about \$200,000 and seek approval of the Japanese bank for imports from developing countries.

Commodities to be imported from Japan under the agreement include insecticides and pesticides, fertilisers, synthetic materials, zinc and machinery.

The loan is for 25 years, including a seven-year grace period, and carries a 4 per cent interest.

Mr. Araki said the earlier yen credits carried higher rates of interest, but Japan had progressively reduced the rate to make it softer for Pakistan, which was a developing country and deserved financial assistance.

The loan would be released for utilisation by the middle of next month when the requisite formalities were expected to be completed.

The loan would lapse after two years if not utilised, but could be extended if Pakistan thought that necessary and if an amount remained unutilised.

Yen credits extended to Pakistan total \$382m. All have been fully used.

## No reprisals by EEC against OPEC-Soames

By Joseph Mann

CARACAS, Sept. 23

THE EEC would "never" consider tariff reprisals against OPEC countries—as the United States did—if the oil-producing nations raised the price of crude oil, Sir Christopher Soames said here.

Sir Christopher, vice-president of the EEC commission, was completing a four-day visit to Venezuela.

He said that he had not come to Venezuela "as a salesman" but rather to discuss changing trade patterns in Latin America and their relation to EEC members.

Venezuela, which is now elaborating plans for spending part of the thousands of millions of dollars it has earned in petroleum revenues over the last two years, has clearly demonstrated its interest in diversifying sources for foreign trade and lessening its dependence on the United States for export and import markets.

Sir Christopher left here today to visit Peru and Brazil.

## Suez hits Mombasa

Reopening of the Suez Canal has led to a decline in use of Kenya's Mombasa port. Over 1,000 dockers have been laid off.

## Honda engines

Honda Motor has arranged with the Volvo unit Volvo Penta to market Honda's small outboard engines in Europe through Volvo's sales network. Honda expects sales of the four-cylinder 7.5 h.p. engines to reach 4,000 units in the first year and about 11,000 units annually over the next few years.

## Farm sales to Japan

Six U.K. agricultural machinery companies will join a trade mission to reduce its further existing local contacts. U.K. sales of agricultural machinery to Japan last year reached £32m. and tractors, accessories and engines came to £8m.

## Peking-Frankfurt

West Germany and China have agreed to begin regular commercial airline flights, tentatively Peking-Frankfurt, including stops at five other unnamed countries. Timetables have yet to be worked out.

## Movement of ore

Associated Manganese is negotiating with South African Railways on behalf of ISCOR for use of the Sishen/Saldanha railway line to transport ore to the coast. AM is at present exporting about 800,000 tons of iron ore annually, mainly through Port Elizabeth, and these arrangements will continue.

## Indian ventures

Indian new industrial ventures with foreign collaboration have dropped sharply this year to 123 in January-June, compared with 226 a year earlier. West Germany had 33, the U.S. 24, the U.K. 18, Switzerland 19 and Japan 9. Most involved technical "know-how," and only a minority had financial participation.

## AMERICAN NEWS

## Mr. Ford refuses to cut down public appearances after shooting attack

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON

DESPITE two attempts on his life this month, President Ford still refuses to curtail the next programme of public appearances he has arranged up and down the country over the coming weeks, to win support for his 1978 election bid.

Arriving back at the White House late last night after his lucky escape earlier in the day in San Francisco, the President said he would not "capitulate to the infinitesimal number of people who want to destroy everything that is best in America."

"The American people expect a dialogue between them and their President," he went on, "and under no circumstances will I capitulate to those who want to destroy what's good in America."

Later the White House spokesman confirmed that the President would not curtail his travel plans, or abandon his habit of mingling with onlookers.

Under present plans, the President is due to return late next month to California, where both assassination attempts were made. On October 23, he speaks in Los Angeles and the next day visits San Francisco again. In the meantime, he set himself up a crowded schedule with visits

to Chicago, West Virginia, New Jersey, North Carolina, Michigan, Florida, Georgia and Alabama.

The immediate reaction to the latest attempt on his life has been one of public dismay and outrage at the return of violence to the American political scene.

Senator Edward Kennedy, whose two brothers were assassinated, said that he was relieved the attack had failed and was "praying there will be no recurrence of such isolated incidents of violence." However, the fact that Senator Kennedy's family is known to hold for his safety

if he were to run for the Presidency can only have been heightened by this latest incident.

The attack has naturally also sparked on a fresh debate on the problem of combating adequate security for the President, with the chance to meet ordinary people.

Senator Hugh Scott, Republican leader in the Upper House, suggested that the President should limit his contact with random crowds, "until we can see whether the madness is temporary," and Senator Jack Mitchell, the leading contender for the Democratic nomination, said much the same.

The President is already under pressure to limit his campaign travelling from within his own party and without, on the grounds that he should be working in Washington and this is likely to increase as a result of yesterday's incident.

A more original suggestion came from Senator Frank Church, who is regarded as an interesting dark horse in the struggle for the Democratic nomination. He is already securing himself a considerable personal publicity as chairman of the committee investigating the assassination of President Kennedy.

Whatever the result of this proposal, there can be little doubt that the Secret Service, which is primarily responsible for the President's security, is going to have some explaining to do to someone, as a result of yesterday's shooting.

For it turns out that Miss Sara Jane Moore, the 48-year-old white woman who fired a pistol at him yesterday had been discovered the previous day by her car with another pistol in her car together with over 100 rounds of ammunition.

She was already on Secret Service list of people who might harm the President. Although interviewed agents were allowed to search her, it was not until she was taken to a psychiatric hospital on \$500,000 bail and underwent psychiatric tests that she was found to be a danger.

To-day Miss Moore, 48, is being held in a psychiatric hospital in Sacramento 18 days after the shooting. She has also been involved with the radical underground. However, she has no distinction of having worked as an FBI informant apparently because of the cause she was up for.

More recently, she has been associated with a revolutionary leader (Popeye) Jackson, who earlier this year, wrote this radical, neither she nor Miss Moore appear to have been part of any conspiracy, or trying to shoot his

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## Swiss watch exports fall

By John Wicks

ZURICH, Sept. 23

IN THE first eight months of this year, 39.4m. watches and movements were exported from Switzerland, or 28.2 per cent less than the 54.9m. units sold to foreign markets for the corresponding period of 1974. The value fell from Sw.Frs.3.2bn. (\$327m.) to Sw.Frs.1.6bn. (\$231.7m.).

The Swiss watch industry association Federation Horlogere says, world watch production increased by 6 per cent last year to some 228.6m. pieces, including movements, as compared with about 215.8m. in 1974.

Calculating Swiss output as 95 (in 1973-96) per cent of exports, figures for which are known, Switzerland accounted last year for 88.8m. (\$8.2m.) of the total, thus remaining by far the highest single producer country.

Other major national producers are: Japan 32.4m. (\$2.8m.) units; the Soviet Union, estimated at 25.5m. (\$2.5m.); the U.S. 23.7m. (\$2.1m.); and France 16.7m. (\$1.6m.) units.

Among other producers, Federal Germany is shown as having experienced a drop in output for 1974 to 8.7m. (\$7.7m.) units, while British output rose considerably from 6.1m. to 8.3m. units.

## India to reduce steel imports, boost exports

BY OUR OWN CORRESPONDENT

CALCUTTA, Sept. 23

INDIA PROPOSES to cut steel imports drastically during 1975-76, Mr. M. A. Wadud Khan, Secretary for Steel, has announced. Only special categories not made in India or those made in insufficient quantities will be imported, up to a total value of Rupees 750m. (\$40m.) against imports worth Rupees 1bn. (\$54m.) in 1974-75.

At the same time, India will try to reach an export target of 1.2m. tonnes this year. This revised figure represents an increase of 400,000 tonnes above the earlier target.

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## IN BRIEF

Suez hits Mombasa

Reopening of the Suez Canal has led to a decline in use of Kenya's Mombasa port. Over 1,000 dockers have been laid off.

## Honda engines

Honda Motor has arranged with the Volvo unit Volvo Penta to market Honda's small outboard engines in Europe through Volvo's sales network. Honda expects sales of the four-cylinder 7.5 h.p. engines to reach 4,000 units in the first year and about 11,000 units annually over the next few years.

## Farm sales to Japan

Six U.K. agricultural machinery companies will join a trade mission to reduce its further existing local contacts. U.K. sales of agricultural machinery to Japan last year reached £32m. and tractors, accessories and engines came to £8m.

## Peking-Frankfurt

West Germany and China have agreed to begin regular commercial airline flights, tentatively Peking-Frankfurt, including stops at five other unnamed countries. Timetables have yet to be worked out.

## Movement of ore

Associated Manganese is negotiating with South African Railways on behalf of ISCOR for use of the Sishen/Saldanha railway line to transport ore to the coast. AM is at present exporting about 800,000 tons of iron ore annually, mainly through Port Elizabeth, and these arrangements will continue.

## Indian ventures

Indian new



## OVERSEAS NEWS

## OPEC expected to raise oil prices by 10%

A price rise of about 10 per cent is expected to be agreed by Ministers of the Organisation of Petroleum Exporting Countries at their conference beginning here today.

Over such a compromise, probably reached only after strong efforts by the price-setting countries—Algeria, Iraq, Libya, Nigeria—to set a higher price nearer to the rate of \$11.50 in the cost of goods by the producers.

Arabia's adamant adjustment—as OPEC here prefer to call the like—should be no more than 10 per cent, which would reduce the cost of the basic oil to \$11.50 and something like \$17.00 in the cost of oil prices to take account of world inflation and protect the purchasing power of oil revenues.

As it is the clear consensus in OPEC is that introduction of the indexation system should be delayed until after the start of the producers' dialogue with industrialised countries and developing nations which is due to begin with a preparatory meeting in Paris on October 13.

That is one argument accepted by most members for being "understandable" on the price question—although some may be cynically waiting for the dialogue to stagnate or falter as a justification for imposing an increase much larger than 10 per cent in the new year.

Against this there is a realisation throughout OPEC that present market conditions and demand for oil—edging up, but still well down on last year's level—are not such as to support any drastic alteration in price levels. In the market, the lighter quality crudes have suffered with Iran and Qatar having been the latest to reduce sulphur premiums. The whole issue of gravity differentials which can only be changed with OPEC's agreement will almost certainly be discussed at this conference.

VIENNA, Sept. 23.

NEW DELHI, Sept. 23.

SEVERAL NEW oil bearing structures have been located by India's Oil and Natural Gas Commission near the rich Bombay High off-shore tract, where drilling is now in progress to produce 2m. tonnes of crude by the end of next year.

The new structures are between Bombay High and the Western coast of India. Points located for exploratory drilling have been found near Diti and Daman Islands. A fairly large structure north-west of Bombay High has also been found. Taken together, the off-shore region in the vicinity of Bombay High could lead to sizeable oil-producing fields in India's western continental shelf.

In the meantime the Carlsberg group of companies today started drilling its first well in the legal Basia concession off the shore of Orissa State and hopes are high that oil will be found in the eastern part of the continental shelf.

In a television interview, the Petroleum and Chemicals Minister, K. D. Malaviya, was extremely optimistic about reaching not only self-sufficiency in crude but also exporting it in the early 1980s as a result of the new discoveries.

But in the next four or five years India will continue to depend on Arab oil, and Mr. Malaviya sounded a warning to OPEC that a further rise in the price of crude from October would hit developing countries like India the hardest.

A holding company for the nationalised coal industry in India, called Coal India, has been formed with the aim of decentralising functions of existing units. The new company will be in overall charge of the Coal Mines Authority, Bharat Coking Coal, and the Singareni Collieries company.

## 'Sizeable' oil finds off Indian coast

By K. K. Sharma

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## THE ISRAEL ECONOMY

## Catching the tax fiddlers

BY L. DANIEL, TEL AVIV CORRESPONDENT

NOW THAT the agreement between Israel and Egypt has been initiated, the Israeli Government will have to give urgent attention to the deterioration in the country's economic situation. The main symptoms of this deterioration are the drain on foreign currency reserves which, as things stand now, can only be halted or slowed down by yet further borrowing abroad; low productivity of labour; a poor and uneven tax-raising performance; and unrestrained consumption.

True, Israel's inflation rate, which topped 55 per cent in 1974, has been slowed, with the increase in the consumer price index for the first 7 months of the year officially put at 9.4 per cent as compared with 23.2 per cent for the same period of 1974.

However, a somewhat higher rate of inflation is expected for the remaining five months of this year in view of the tax reform which went into force on July 1, and the cumulative effect of the so-called "creeping devaluation". The Government in June authorised the Treasury to devalue the Israeli pound by two per cent, every 30 days.

The slow-down in the rate of inflation does not reflect any contraction in the buoyant consumer demand. This, coupled with the fact that the productivity of exports has not improved, has led to the continuing diversion of much of output to the home market. Exports rose by only eight per cent in the first seven months of this year, while in fact spells a decline in real terms.

Imports were down by one per cent, but this still left a yawning trade gap of \$1,292m. The eight per cent drop in the deficit is encouraging, but as U.S. economic aid (as distinct from military aid, as well as contributions by world Jewry and foreign investments, are likely to fall below last year's levels, the immediate problem is the prevention of a disastrous fall in foreign currency reserves.

These started to improve following last November's 41 per cent devaluation of the Israeli pound, but have shown a downward tendency recently. The drop for the first two weeks of September alone was \$100m. to \$1.1bn.

How the Government will halt this trend is a key question. The measures taken so far have proved totally inadequate, yet important in themselves, except in so far as they perpetuate an atmosphere of tax evasion. Large sections of the population do not pay any tax at all and

and even the trade union leadership acknowledged in July that any exemptions to or modifications of the new law would prove fatal to the whole reform, some erosion has already taken place.

These infringements are not yet important in themselves, except in so far as they perpetuate an atmosphere of tax evasion. Large sections of the population do not pay any tax at all and

be introduced in October and thus compensate for this loss thereafter. But it is now clear that VAT cannot be introduced before 1976. The shortfall in State income is today put at well over \$400m. As it is, the Government has increased the money supply by some \$150m. since April.

Moreover, the figure will grow further, since each mini-devaluation of the Israeli pound involves the Government in additional subsidy payments on basic commodities whose prices it has been trying to keep stable in order to prevent a rise in the cost-of-living index with all that this implies both for wage levels and the Government's obligations (service and debt retirement) on its index-linked debentures.

So far the public, while realising that the purchasing power of its pound is declining steadily, is not alive to the dangers of the situation. With the emphasis on the need for keeping a 1.3 arms "balance" with the Arab countries, little thought appears to have been given by the population to the implications of the very real cutback in U.S. general economic aid, a cutback which can only be compensated for by less home consumption and more exports.

There has been little response to Premier Rabin's call to the nation to work harder and to lower living standards. It seems strange, but it is a fact that a people which is so ready to make any sacrifice in wartime, is reluctant to do a really full day's work in peacetime—even if real peace is still so far away.

This being so, the Government will have to resort to yet further taxation. With Finance Minister Rabinowitz and Mr. Moshe Zaubar, the governor of the Bank of Israel due back from Washington, and the Jewish holiday season ending this month, sizeable increases in purchase tax and excise duties seem an almost certain bet. If these steps do not reduce local demand, the Government might have to take additional steps to encourage exports.

It is reckoned that tens of millions of Pounds sterling are being lost to the Finance Ministry through sheer inefficiency or fear of tackling sacred cows. Among the latter are many enterprises affiliated to the trade union organisation, Histadrut, which show ludicrously low rates of profit but which can be counted upon for stalwart support of the Labour parties at the polls.

Inefficiency in assessment and collection was highlighted earlier by a recent random survey of owners of new villas in a certain neighbourhood. Less than half of them had filed with the income tax authorities. Their files simply did not exist, even though the owners could be traced easily since all house purchases must be recorded in the Land Registry. Nor does any tax collector dare get into an argument with the porters at Israel's wholesale or retail vegetable markets.

The net result is that the Government has and will increasingly have to meet its deficits by resort to the printing presses—thus increasing the money supply.

The loss of income resulting from the tax reform was originally put at slightly above \$100m. for the period July/September. It was assumed that VAT would

## Sinai accord is completed

DAVID EGLI

SENTS AND maps governing implementation of the Sinai agreement were completed here early this morning at the end of a second day of negotiating session.

The immediately signed Egyptian delegation, the Israeli acting on terms from Jerusalem, did full signature until the progress approves Dr. Kissinger's undertaking to provide a civilian technicians to electronic early warning sent in the key area of the Sinai Giddi passes.

Israeli delegation did, in initial the documents of the protocol of implementation, signing their approval, the final draft, and the chairman of the military group in which the two have been meeting over the last weeks, said he was confident that this two-step process would not materially affect the implementation of the documents provide a premetable for troop move-

ments and other aspects of implementation of the Sinai agreement, the main body of which was signed here on September 13.

Although most of the details of implementation had been settled before the weekend, last minute difficulties arose over the Israeli decision to "withhold" signature pending Congressional action. While this was accepted by the Egyptian delegation, counterpart concessions were demanded from the Israelis in the body of the documents. The deadline for agreement on implementation came out at midnight on Monday, but by common accord the clock was stopped, and when the UN announced agreement they backdated it to Monday.

The Egyptian delegation offered no explanations for their decision to sign the documents immediately, but it was widely assumed that the intention was to place on Israel the burden of responsibility for any subsequent delays.

The first step in the implementation process is the Israeli withdrawal from the Abu Rudeis oilfields in south-western Sinai. This is scheduled to begin within two weeks from the date of signature of the protocol by Israel and must be completed within eight weeks.

It is understood that the documents also provide for a joint Israeli-Egyptian military commission which will begin operating next month after signature by Israel, and will supervise the entire Israeli withdrawal to new strategic defence lines east of the Mitla and Giddi passes. The redeployment is to be completed within five months.

L. Daniel adds from Jerusalem: Now that the technical protocol has been concluded in Geneva by the Egyptian and Israeli working group the next step is likely to be the passage of an Israel-bound cargo (aboard a non-Israeli flag-ship) through the Suez Canal. It should take place within the next five or six days.

## Israel welcomes Kissinger plan

L. DANIEL

INITIAL response to-morrow when the Israeli Foreign Minister Yigal Allon has initiative for an informal working breakfast with the Secretary of State.

With no signs of any movement towards talks with Syria on an interim or overall settlement, official circles here believe that they had had a day reiterated their willingness to enter negotiations with that country without any preconditions, such as an informal conference may be the only means of preventing another crisis at the

end of November when the UN forces mandate on the Golan Heights will come up for renewal.

The informal conference would be attended by the Arab states, Israel, the two superpowers and what Dr. Kissinger called "other interested states".

Louis Fares writes from Damascus: King Hussein arrived here today to confer with Syrian President Hafez Assad on recent Middle East developments. Official Jordanian sources said the King "will coordinate with President Assad a joint foreign policy in the aftermath of the Sinai agreement."

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## Beirut is quiet but tense

By Nisan Hijazi

BEIRUT, Sept. 23.

BEIRUT WAS relatively quiet last night, but remained tense today, as armed bands continued to control the main streets and exits from the capital. The public was again advised by the authorities to exercise caution on the streets.

The relative calm was due to new measures for stabilising the ceasefire arranged on Saturday night through the good offices of the Syrian Foreign Minister, Mr. Abdel Halim Khaddam. It was agreed yesterday that President Salehman Frangieh and Interior Minister Camille Chamoun, as Christian leaders, would guarantee that the Rightists under the Phalangist Party would maintain the ceasefire in the areas under their control. In turn, Premier Rashid Karami and other Moslem leaders, as well as the Palestinian commando chief Yasser Arafat, promised to guarantee that the "true" is observed strictly by armed elements on their side.

If the ceasefire holds, then attempts would be made today to form a Committee for National Dialogue to work out reconciliation among the opposing factions and bring life back to normal.

## U.K. assurance on Banabans

Sept. 23.

BRITAIN will take responsibility for the problem of Banabans independence claims in the Gilbert and Ellice Islands, British Parliamentary Under-Secretary at the Foreign and Commonwealth Office, Mr. Edward Rowlands said here today.

Mr. Rowlands was speaking at a Press conference here during a Pacific tour which has included the Gilberts—now heading for independence from Britain—and other Pacific islands.

Some 2,000 Banabans, now living on the island of Rabi, 1,600 miles from their former home on Ocean Island, part of the Gilbert group, are seeking independence from the Gilbert Islands.

They also claim the British Government owes them £22m. in royalties for phosphate mined on Ocean Island by a joint British-Australian-New Zealand commission.

Mr. Rowlands said today a British court was still considering the situation.

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## Communist Party scores biggest gain in Finnish election

BY LANCE KEYWORTH

HELSINKI, Sept. 23.

PRELIMINARY results of Finnish general election that last night show no major change for the main parties that are involved in the competition. The Communist Party, which has been the main opposition to the ruling Social Democratic Party since 1945, won 33.8 per cent of the vote, the lowest since 1945. The Social Democrats, who have ruled since 1945, won 32.1 per cent, the highest since 1945. The Centre Party, which has been the main opposition to the Social Democrats since 1945, won 20.1 per cent, the highest since 1945. The Agrarian Party, which has been the main opposition to the Centre Party since 1945, won 18.4 per cent, the highest since 1945. The Conservative Party, which has been the main opposition to the Agrarian Party since 1945, won 15.5 per cent, the highest since 1945. The two small parties most likely to be included in the new coalition government will be the Unionist Party and the Finnish People's Party.

## Norwegian PM likely to be replaced soon

BY FAY GJETER

OSLO, Sept. 23.

THE NORWEGIAN Prime Minister, Ole Johan Vang, is likely to be replaced in the near future. The Labour Party, which has been the main opposition to the ruling Conservative Party since 1945, won 33.8 per cent of the vote, the highest since 1945. The Conservative Party, which has been the main opposition to the Labour Party since 1945, won 32.1 per cent, the lowest since 1945. The Centre Party, which has been the main opposition to the Conservative Party since 1945, won 20.1 per cent, the highest since 1945. The Agrarian Party, which has been the main opposition to the Centre Party since 1945, won 18.4 per cent, the highest since 1945. The Conservative Party, which has been the main opposition to the Agrarian Party since 1945, won 15.5 per cent, the highest since 1945. The two small parties most likely to be included in the new coalition government will be the Unionist Party and the Finnish People's Party.

## Swedish stocks increase

BY WILLIAM DUFFLANCE

STOCKHOLM, Sept. 23.

VEYS conducted in August showed a continued rise in the Swedish stock market. The Swedish stock market, which has been the main opposition to the ruling Conservative Party since 1945, won 33.8 per cent of the vote, the highest since 1945. The Conservative Party, which has been the main opposition to the Labour Party since 1945, won 32.1 per cent, the lowest since 1945. The Centre Party, which has been the main opposition to the Conservative Party since 1945, won 20.1 per cent, the highest since 1945. The Agrarian Party, which has been the main opposition to the Centre Party since 1945, won 18.4 per cent, the highest since 1945. The Conservative Party, which has been the main opposition to the Agrarian Party since 1945, won 15.5 per cent, the highest since 1945. The two small parties most likely to be included in the new coalition government will be the Unionist Party and the Finnish People's Party.

## Simonet warns on sea oil

BY WILLIAM DUFFLANCE

LUXEMBOURG, Sept. 23.

MON MARKET Energy minister Henri Simonet has warned that Britain is likely to be replaced in the near future. The Labour Party, which has been the main opposition to the ruling Conservative Party since 1945, won 33.8 per cent of the vote, the highest since 1945. The Conservative Party, which has been the main opposition to the Labour Party since 1945, won 32.1 per cent, the lowest since 1945. The Centre Party, which has been the main opposition to the Conservative Party since 1945, won 20.1 per cent, the highest since 1945. The Agrarian Party, which has been the main opposition to the Centre Party since 1945, won 18.4 per cent, the highest since 1945. The Conservative Party, which has been the main opposition to the Agrarian Party since 1945, won 15.5 per cent, the highest since 1945. The two small parties most likely to be included in the new coalition government will be the Unionist Party and the Finnish People's Party.

## Swiss output

BY WILLIAM DUFFLANCE

ZURICH, Sept. 23.

THE second quarter of 1975 saw a 17 per cent increase in Swiss industrial production. The Swiss industrial production, which has been the main opposition to the ruling Conservative Party since 1945, won 33.8 per cent of the vote, the highest since 1945. The Conservative Party, which has been the main opposition to the Labour Party since 1945, won 32.1 per cent, the lowest since 1945. The Centre Party, which has been the main opposition to the Conservative Party since 1945, won 20.1 per cent, the highest since 1945. The Agrarian Party, which has been the main opposition to the Centre Party since 1945, won 18.4 per cent, the highest since 1945. The Conservative Party, which has been the main opposition to the Agrarian Party since 1945, won 15.5 per cent, the highest since 1945. The two small parties most likely to be included in the new coalition government will be the Unionist Party and the Finnish People's Party.

## Austrian GNP

BY WILLIAM DUFFLANCE

VIENNA, Sept. 23.

THE second quarter of 1975 saw a 3 per cent increase in Austrian GNP. The Austrian GNP, which has been the main opposition to the ruling Conservative Party since 1945, won 33.8 per cent of the vote, the highest since 1945. The Conservative Party, which has been the main opposition to the Labour Party since 1945, won 32.1 per cent, the lowest since 1945. The Centre Party, which has been the main opposition to the Conservative Party since 1945, won 20.1 per cent, the highest since 1945. The Agrarian Party, which has been the main opposition to the Centre Party since 1945, won 18.4 per cent, the highest since 1945. The Conservative Party, which has been the main opposition to the Agrarian Party since 1945, won 15.5 per cent, the highest since 1945. The two small parties most likely to be included in the new coalition government will be the Unionist Party and the Finnish People's Party.

## CAR-MAKING IN CZECHOSLOVAKIA AND EAST GERMANY

# A four-stroke tandem

BY LESLIE COLLITT, Berlin Correspondent

THE TWO MOST ADVANCED producers of consumer durable goods in Eastern Europe, East Germany and Czechoslovakia, have apparently decided against purchasing turbine plant or wholesale licences from the West to produce long delayed new car models. Both countries have agreed on pooling their own resources which, if carried out, would preclude major deals with western motor manufacturers of the scope undertaken by the Soviet Union, Poland, and Romania with Fiat and Renault. That, however, would not preclude the GDR and Czechoslovakia making more limited deals involving the supply of western equipment, machinery, or know-how.

East European motor industry sources cite an agreement recently signed between the two governments for co-operation in the "development and production" of cars and agricultural machinery. According to these experts the agreement will take effect when the next Five Year Plan runs out, that is, after 1980. It would have the two oldest and most experienced automakers in the Comecon area without close links to West European motor manufacturers.

The easterners suggest that this new attempt at co-operation between the German Democratic Republic and Czechoslovak motor industries stands a better chance of success than a previous plan in 1970 to integrate these industries. Despite a solemn signing of documents, the old agreement failed to materialise. If envisaged

a jointly-developed basic vehicle produced in two different versions by the Wartburg plant in Eisenach and the Skoda factory at Mlada Boleslav. Skoda 1300 and 1300 cc engines were to have powered both vehicles, which would have included various East German components, such as the gear box.

The idea began to fade as technicians on both sides discovered that the means and the will to proceed were lacking. One Comecon car maker explains that neither the GDR nor Czechoslovakia were in a position to invest the large sums of money that would have been necessary to expand and modernise the Wartburg and Skoda plants. The Eisenach plant in particular, is a cramped pre-war factory, built by BMW. In order to achieve the sort of economies of integration implicit in the original agreement, a wholly new car factory would probably have been necessary.

Under the newly-signed framework agreement, Comecon sources report, a new GDR Wartburg is to be developed to succeed the present one in production for ten years. The Wartburg will, if all goes well, have a 1300 to 1300cc water-cooled, four-cylinder engine produced by Skoda. This will mark a major advance for Wartburg which has used a two-stroke engine. A third cylinder was added in 1970, squeezing some 50hp from the engine. The future Wartburg is expected to incorporate a number of other Czechoslovak components. Limited co-operation

exists already, as the Wartburg's considerable imports of know-how and equipment. But both countries are reluctant to co-operate on a large scale with western car manufacturers. One of their industrial officials explained: "Both our countries were producing over two dozen different makes of cars 40 years ago. In the postwar years we

not aware of the targets which the auto industry was to be given by the planners. They should know more by the turn of this year, when a clearer picture should also begin to emerge of what they may want to buy from the West. Sales to both countries of Western equipment, components

Scarcely a GDR motor industry man would deny that the two-stroke engines still sputtering in the Wartburg and Trabant cars must go. They are acknowledged major pollutants on the roads of eastern Europe as the GDR exports nearly half its automobile output to this area. A Yugoslav environmental study not long ago singled out these engines as most undesirable on these grounds. However, the Trabant is also the cheapest car made in the Comecon realm. Its fibre glass body and basic engine make it easy to repair. That is an important consideration for buyers in countries where the number of garages range from 1,200 in the Soviet Union for an estimated 2.5m. cars, to about 1,000 in Czechoslovakia, which has an estimated 1,850,000 cars. There seems little doubt that if the GDR and Czechoslovakia are willing to invest enough in plant and equipment to develop new models, they could produce cars which would better satisfy buyers in eastern Europe and comply with minimum pollution standards.

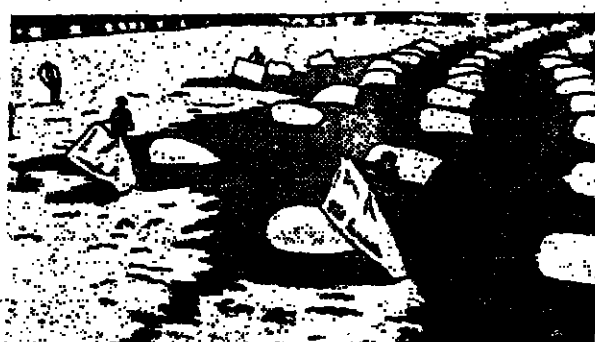
In planning long-range co-operation, both countries appear to have written off the western European market. Wartburg (sold as Knight in Britain) and to a greater extent Skoda, had toolholds in a number of western European countries which, despite most attractive prices in the West, have virtually been lost. At the same time, exports to the West of Soviet Ladas and Polski Fiat are soaring.

# "As one of the world's largest users of raw materials, we see it as our duty to waste nothing—not even waste."

From a report by Dr. B. Werninghausen of BASF's Plastics Applications Department



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stop at making a material that prevents loss through damage in transit; it also developed a method of utilizing the material after it had served its primary purpose, so that it did not become a source of litter. Waste expanded Styropor is the source of material that can be used in many ways for improving soil. This recycling is just

BASF are one of the world's largest chemical companies. The chemical industry takes the earth's resources in their most primitive form and converts them to complex, highly sophisticated substances that do specific jobs: as dyes and plastics for example, fertilizers and pesticides, or the substances that render wood pulp into glossy printed pages. But the earth's resources are finite. We must take care to use them wisely, re-use them where possible, and waste nothing—not even waste. BASF spend over £300,000 a day on research into these and other problems; and more millions in disposing of by-products and waste materials in a constructive way. It is considered a priority, because BASF have two articles of faith: technology is only useful insofar as it serves man; and technology must solve the problems it creates.

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## HOME NEWS

## NEDC talks on industry put off for a month

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE SERIES of National Economic Development Council meetings at which the Government, the unions and the Confederation of British Industry aim to develop an agreed strategy to improve the U.K.'s industrial performance, due to start early in October, has been postponed for a month.

Announcing this yesterday, Sir Ronald Mcintosh, director-general of the National Economic Development Office, emphasised "nothing transcends to importance in Britain today the need to improve our industrial performance."

Without this the U.K. would not be able to achieve its social objectives "and we could soon face—sooner than most people realise—the prospect of irreversible decline," he told a seminar organised by the British Mechanical Engineering Confederation and NEDO.

Sir Ronald also made it clear that the industrial strategy should give a clear priority to manufacturing industry. "Manu-

factured goods are still by far the largest element in our export trade and it is on the health of the manufacturing sector that our national solvency ultimately depends," he declared.

Discussions on a medium-term industrial strategy were due to begin at the October 6 NEDC meeting when a paper outlining the Government viewpoint and drawn up jointly by Mr. Denis Healey, the Chancellor of the Exchequer, and Mr. Eric Varley, the Industry Secretary, was to be discussed.

But both Treasury officials and the CBI had asked for more time to consider their reaction to the paper. The CBI publicly complained that unless it saw the Healey-Varley paper by the end of this week it would not have time to produce a reasoned view at the NEDC meeting.

It is now intended that the Government paper should be distributed among Council members at the beginning of October and then come up for discussion at the November meeting, when it is expected that

the Prime Minister will take the chair.

Sir Ronald insisted yesterday that there was no question of any foot-dragging by any of the NEDC members. "All sides are agreed that an industrial strategy is needed," he said. "Whether they will agree on the detailed content is another matter."

The objective behind the strategy will be for the NEDC and Government to pinpoint key areas of the economy to which the movement of resources can be speeded up. This would involve making sure that important growth sectors were not impeded and also spotting those vital areas of industry in genuine decline.

Sir Ronald told the seminar yesterday: "The failure of our main political parties to agree on a broad approach to our industrial problems, which could be applied consistently over a period of years, is a self-inflicted wound which has much to do with our present parlous condition."

## Cousins to join NEDO

By Roy Rogers, Labour Correspondent

MR. JOHN COUSINS is to leave his post of a national secretary at the Transport and General Workers' Union to join the National Economic Development Office where he is to be manpower and industrial relations director.

The 53-year-old son of former T.G.W.U. general secretary Mr. Frank Cousins goes to NEDO early in November and will fill the vacancy caused by the death earlier this year of Mr. Pat Fisher who joined NEDO from the TUC some 18 months ago.

At the T.G.W.U. Mr. Cousins has been responsible for some 200,000 members in the public sector including local government manual workers, hospital ancillary grades and airport workers. He has also played a leading role in negotiations for British Airways workers and worked in civil air transport for 10 years before taking up full time union office.

He describes his new post as trying to urge employers and trade union leaders that increased industrial investment would benefit all and expects it to involve "everything from sitting at a meeting with the Chancellor of the Exchequer to negotiating on the shop floor with management and members of unions."

Men and Matters, Page 18

## MP calls for State motor insurance corporation

BY JOHN BOURNE, LOBBY EDITOR

RADICAL PROPOSALS for a State motor insurance scheme are favoured by the State taking over all forms of insurance and financial institutions, Mr. Norman Atkinson, MP for Tottenham and a leading member of the Left-wing Tribune Group.

Mr. Atkinson, who will again be running against Mr. James Callaghan for election as treasurer of the Labour Party at the party conference next week, outlined his scheme yesterday.

In about a week he will be submitting a memorandum on it to the National Executive's home policy committee, at present headed by Mr. Anthony Wedgwood Benn, the Energy Secretary, and to the Executive's industrial policy sub-committee, headed by another leading Left-winger, Mrs. Judith Hart.

Mr. Atkinson, who will press for his ideas to be contained in Labour's next election manifesto, said yesterday that the first problem was for the State to tackle the large number of unlicensed drivers—"up to 1m. is the estimate of some insurance experts," he added.

The immediate task of his proposed National Motor Insurance Corporation would therefore be to take over all third-party insurance, paying for it not through motorists' premiums but by a levy on all motor fuel.

"To meet the £220m. cost of existing third-party premiums, would require a levy of 3.5p a gallon, and it would not be excessive," he said.

Admitting that he personally favoured the State taking over all forms of insurance and financial institutions, Mr. Atkinson said that his Corporation would be a tentative step in that direction. The Corporation would eventually issue policies for comprehensive motor insurance, fire and theft.

These policies could be made fairer for the motorist by partly basing the premiums on information about each driver obtained from the already half computerised licensing centre at Swansea, and from special Motoring Courts.

"These courts would be able to apportion blame for motor accidents and administer a system of penalty points which would affect the motorists' insurance premiums."

Mr. Atkinson envisages his Corporation helping the garage trade to improve its standards of repairs and to standardise labour costs, charges and wages.

At present, two-thirds of so-called labour costs represented the overheads of the average garage. "The average wage in garages is £1.18 an hour while the average labour charge to the customer is £4 an hour," he said. "The Corporation could assist a 'very under-capitalised trade' with loans, and by instituting a system of inspection and seals of approval. It could also establish centralised warehouses where garages could quickly obtain spare parts."

Mr. Atkinson, who is not opposed to outright nationalisation, believes that existing motor insurance companies would be unable to compete with the proposed Corporation.

Inside the Government, one of the most controversial aspects of his scheme will be the proposal for Motoring Courts. Lord Elwyn Jones, Lord Chancellor, said in a recent letter to Mr. Atkinson that the question of traffic courts was considered at some length in 1966 after a proposal from the Law Society.

"The general view then, as on other occasions, was that special courts for traffic offences would serve no useful purpose which was not already within the competence of magistrates' courts."

"Moreover, if such courts were established they would have to be staffed and given accommodation, and it is already proving difficult to find premises and staff for existing courts," the letter said.

**Humber tidal model closed**  
THE HUMBER tidal model at Hull, which cost £200,000 to build, will be closed for an indefinite period as an economy measure. The model, which simulates a few minutes a 24-hour tide cycle, is used by engineers for behaviour researches in the estuary.

## Bar on S. Korea textile licences

Financial Times Reporter

THE DEPARTMENT of Trade has further more against Far East, said yesterday, would not consider applications for licences for import from South Korea.

Quotas on goods from Korea were imposed on 22 under a EEC Commission. They are, in fact, agency quotas for a range of goods, imposed by the Commission because of a failure to agree totals.

On August 8 the Government suspended licences from Taiwan. The Trade Department has been swamped by applications for licences to import goods from Taiwan.

South Korea that it has suspended licences to all 12 goods which are sorted from applications. Goods shipped before 22, but which have arrived will be allowed the quota. This is because the quota was imposed under the regulations of the Department. But the goods en route from Korea is not thought large.

Because of the deluge of applications for Taiwan goods, the Department ruled that it shipped from Taiwan August 8 but not yet in Britain would not licences at least until 29. Goods imported from since the beginning of together with shipment high seas are already big the quota.

Importers with which left Taiwan after 8 but which have not yet British ports face the of keeping them in ward considerable cost. One of BPT Leisure International claims to be Britain's importer of garment Taiwan, says it has 10 ships about to dock with cargoes worth between £3m.

These goods had been under irrevocable letter credit, according to Mr. Davies, managing director BPT.

## Retailers seek minimum petrol price of 73.5p

BY PETER FOSTER

ABOUT 6,000 garages will close a time when price cutting is encouraging the present price in the next 12 months, unless a becoming more intense almost minimum price of 73.5p a gallon daily.

The PRA, which represents about 2,000 outlets, put forward its claim in a report to the Government yesterday.

It also calls for an examination of oil companies' wholesale prices, claiming that their selective subsidies are "actively retarding by oil companies."

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## Disputes could hit exports, says Wilson

THE PRIME MINISTER last night emphasised the importance for exporters of adapting their goods to meet the requirements of tastes of overseas customers, and gave a warning of the need for quality, reliability and meeting delivery dates.

He said at the centenary dinner of Imperial Foods in Birmingham. "Every member of a firm has a part to play in this. Before allowing ourselves the luxury of disputes, we should think of the effect of them on our export reputation and future orders. Future orders mean future jobs."

Mr. Wilson emphasised the advantages of the fall in the value of sterling for British industry, while admitting its disadvantages. British prices in sterling terms were still much more competitive than many

people realised, despite the increase in domestic costs.

"We are over 10 per cent more competitive than we were before sterling was floated in 1972, and this margin has remained roughly constant since the latter part of 1973."

That advantage carries a price in terms of a depreciation in the value of the pound, with all that this means for the cost of imported fuel and raw materials. That is another reason why it is so important we bring down the inflation in our domestic costs, as our trading partners have done," he said.

When unemployment in this country was too high and the balance of payments was still in substantial deficit, the competitive advantage of sterling offered Britain a major opportunity. Mr. Wilson pointed out

## Land Bill 'concessions'

BY JOE RENNISON

THE GOVERNMENT now seems prepared to make further concessions on the Community Land Bill.

In its original version, the Bill would have given the Government wide and very vaguely defined powers over the acquisition of what it deemed to be land ripe for development.

Proposed amendments to the Bill which will define more accurately the powers of acquisition by local authorities were published yesterday in a policy statement issued by the Department of the Environment.

Although the proposals have yet to be made in detail, it would seem that they will mean that there will be less control over smaller pieces of land, and is outside the scope of the local certain types of redevelopment authority.

The Department said that they were meant to reduce the workload imposed on local authorities.

Until now there has been much confusion and criticism of the definition of what the original Bill defined as "relevant development" and "non-relevant development." Originally this was left to be formulated by regulation without the positive approval of Parliament. The new proposals aim to define these more tightly and to incorporate them in a Schedule to the Bill.

Two new categories of development are proposed: these are "excepted development" and "development of a special kind." The former is defined as development which is of a special kind, and the latter as development which is of a special kind.

## Rail spending to be curbed

FINANCIAL TIMES REPORTER

BRITISH RAIL'S capital expenditure ceiling next year is now thought likely to be cut by about 25 per cent, from the provisional figure set last winter.

Together with the limit put on next year's deficit financing of passenger rail services—which is now to be no more in real terms than this year—the move marks a further tightening of the constraints now being imposed upon railway finances.

News that investment was to be cut came after completion of part of the annual public expenditure review.

It appears that the total reduction in the previously planned next year's ceiling of investment programmes of the nationalised industries in 1975-76 may be about 10 per cent, or rather more than the Chancellor had envisaged in his Budget.

British Rail's share of the total reduction will be rather

more than a fifth, or by far the largest proportion.

This will be the third successive cut in rail investment since British Rail secured Government approval less than two years ago for a major five-year capital expenditure programme.

Next year's ceiling is likely to be about £175m. in 1975 survey price terms, or more than a tenth less than this year and about a third less than the rate envisaged two years ago.



## Death came via the escalator - until Brady shut him out

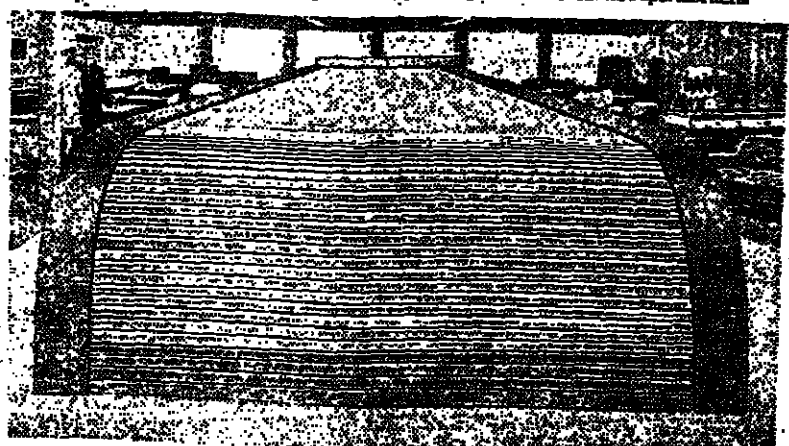
Fatal department store fires recently highlighted a frightening omission in fire precautions. Many escalators and staircases centrally placed in big open floorspaces were completely unguarded by fire doors—in fact, there was no suitably designed fire-resistant door to close them off!

Now, thanks to the Brady Group there is a special patented 'roller shutter' that will automatically close over escalators or staircases in the event of fire. It can be operated by heat switch, smoke detector, fire alarm circuit, or simple push-button and it is fail-safe because it is battery driven. Its effectiveness has been demonstrated at the Joint Fire Research Organisation's test centre and hundreds have already been installed in leading stores and public buildings in Britain and Europe.

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## HOME NEWS

## CL agrees to \$22m. link with two U.S. companies

CHRISTOPHER LORENZ

AIN'S INTERNATIONAL (CPI), the company which was set up by NCR and Control Data in May 1972, ICL's declaration of intent to take a one-third shareholding was announced yesterday.

The deal, which will involve the purchase of 100,000 shares at a cash cost of \$22m, will also give Britain a major role in the world's second largest computer equipment company. The deal is part of a new venture in the international computer industry to pool the equipment and manufacturing of the three companies, the first of which is the purchase of 100,000 shares in CPI.

There is no plan to link CPI with the CDC-Honeywell organization, Magnetic Peripherals Inc. an initial stake of a sixth non-ICL stressed yesterday.

wards a merger with NCR and Control Data. The two U.S. companies are also working together on the development of a joint line of large computers.

Following ICL's initial acquisition, the enlarged CPI will have assets of about \$60m, and will establish a research, development and manufacturing facility in the U.K. to be known as CPI Data Peripherals. This will design and make peripherals of an electro-mechanical nature for the three partners as it expands its operations over the next two to three years, ICL said yesterday.

Apart from making ICL more competitive on both the domestic and international markets by allowing it access to greater economies of scale than it could achieve alone in such standardised products, the deal is intended to strengthen the base of the nascent U.K. peripherals industry through the commitment of NCR and Control Data to using the British operation as their source for peripherals in the U.K. and European markets.

Sperry Rand, which includes the Univac computer group, said yesterday it was awaiting Spanish Government approval to establish what it claims would be Spain's first mainframe computer manufacturing company. Sperry would hold 49 per cent of a joint company, and the plant—probably in the Seville area—would be likely to start output with Univac's small 80/80 computer.

## Hundreds of orders for Norton Commandos pile up

PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

TEAMS from Norton Triumph action cars at the Wolverhampton show in the hands of the receiver, are trying to up interest in the new models, including a new engine, hundreds of orders for existing Norton and machines are awaiting attention.

An order was received from Saudi Arabia for 200 commandos. Another substantial order came from the U.S. These were mainly for the new police type bikes.

It was understood about 10,000 trial engines are in stock and the order book over the six months covers 14,000.

At night, the action continued, which seemed unaware of the extent of the order book, agreed to re-starting the factory.

It was certainly not back to make money for the referential customers like who are primarily responsible for sacking 1,500 of us, Mr. Jack Everatt, a senior member of the committee.

"We are owed wages and bonuses, and until these and other matters have been satisfactorily settled, there is little hope of anyone going back. When we do so, it would be for the benefit of those who would be working there."

"We are convinced we can make it a more competitive and profitable enterprise than the NVT management has done, though we are not seeking to create an outright workers' co-operative," he added.

NVT has successfully petitioned to keep open the Small Heath, Birmingham, factory making Triumph Trident until October 25. A London packing case manufacturer is seeking the winding up of the manufacturing subsidiary operating Small Heath for an unpaid bill of around £27,000.

The petition is due to be heard on October 20, a week after NVT seeks the compulsory winding up of the Wolverhampton operation. Whether at the end of it all, NVT—established with £4.8m. of Government aid in July 1973 to create a healthy industry—is left with a motor cycling manufacturing presence in doubt.

## Nuclear pacemakers for 200 patients

DAVID FISHLOCK, SCIENCE EDITOR

ONLINE-POWERED heart pacemakers, provided by the Ministry of Health will be used at a cost of about £2,000 to 200 heart patients in the next year or so.

British Nuclear Fuels has had a letter of intent from the Health Department for 200 pacemakers, to be made by the Harwell research of the U.K. Atomic Authority.

Estimated £1,000 a year, the contract is expected worth about £200,000, with a contract for the electronic pacemaker going to a local engineering company.

British Nuclear Fuels has undertaken the commercial exploitation of the 11 miniature plutonium-238 pacemakers, which it is said could be earning more than £10m a year by the early 1980s.

Research and development effort so far is estimated at about £100,000. The battery is designed for a life of 20 to 30 years, and many would be bringing in all our experience from nuclear medicine," said Dr. Averis, the director of the new venture.

At 70 nuclear pacemakers already been implanted in patients, at four British sites, since Harwell first started in developing heart pacemaker battery in 1971.

## Fidelity seeks return to insurance company

ERIC SHORT

HAROLD J. RICHARDS, Chairman of Fidelity Corporation of Virginia, U.S.A., said yesterday that his counsel would bring for the control of Fidelity Life Insurance to be sold to the Corporation at a forthcoming court hearing scheduled for October 4.

The petition for the winding up of Fidelity Life was presented to the High Court on July 23 by Peter Shore, the Secretary of State for the Home Office, and the investment of the Elm, which Fidelity Life in the City bank London and Securities. This was stated a loan and not a by the Bank of England hereafter was not covered by Bank's support operation.

Richards said that his counsel would ask the Bank to honour its obligation in such a way that all holders of Fidelity Life have their contracts protected from the liabilities of the company.

were not covered by the remaining assets. Mr. Richards affirmed that his corporation considered itself free from any obligation contained in any guarantees made to its subsidiary, while the Bank persisted in its present course of action.

The Department of Trade earlier this year required a cash injection of £750,000 into Fidelity Life once the position of the firm, investment with London and County became known. When Fidelity Corporation refused to put up the money the liquidation petition was presented.

Mr. Richards said that the action taken by the Corporation was the only means whereby pressure could be brought upon the Bank to reverse its decision. All Fidelity policyholders should write to the Governor to protest at the Bank's decision.

The Bank of England said that it had nothing to add to the statement made concerning the investment in London and County.



## Labour Party celebrates anniversary

The Labour Party yesterday commemorated its 75th anniversary by publishing items from archives which span the years.

The Party was founded in 1900 at a meeting in London, off Fleet Street, as the Labour Representation Committee.

A pictorial history was introduced yesterday by Lord Shovel, now 90, who joined the Independent Labour Party three years after the L.R.C. was established. With Mr. Ross Haywood (right) the present general secretary of the party, he looks at one of the documents.

They include two historic posters—one produced by Keir Hardie, first Leader of the Labour Party, in the general election of 1910 and seen over their shoulders—as well as a pictorial history and an "Among Our Souvenirs" pack of 26 original documents and letters.

The pack includes a circular written by Ramsey MacDonald in 1911 to members of the Parliamentary Labour Party on conduct in the House and a 1903 letter from Lenin.

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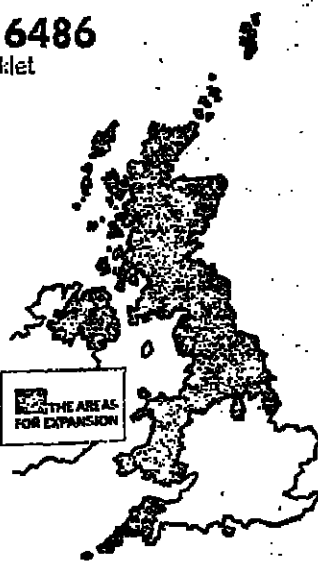
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## LABOUR NEWS

## NCB appeals to miners for coal production boost

BY JOHN WYLES, LABOUR REPORTER

A NEW appeal to step up coal production is to be sent to all Britain's miners this week against the gloomy background of declining output. Figures were presented to National Union of Mineworkers' leaders yesterday.

Although repeated exhortations over the past 12 months have failed to produce the hoped for increase in productivity, several members of the NUM national executive were optimistic at a meeting with the National Coal Board yesterday that output would rise over the next six months.

In leaflets circulated at all pits this week, the NCB says that it needs a 5 per cent rise in output to avoid a coal price increase. It emphasises that output has been "disappointing" since April, and points out that productivity is now below the March 1973 level.

Attempting to respond to the theory, put forward by Mr. Joe Gormley, NUM president, that rising coal stocks are psychologically depressing miners' efforts, the NCB says that it could do with more than double the 7m. tons of coal in stock at pits and says that stocks are no threat to miners' jobs.

The background to this appeal was graphically presented to the NUM executive by NCB members

who used slides and graphs to convince the union of the seriousness of the situation. After some left-wingers had chided Sir Derek Ezra, NCB chairman, for undue pessimism, he emerged with Mr. Gormley to dampen publicly any suggestions that "all was lost with the industry."

Coal was not like "some enterprises" which were losing millions of pounds, said Sir Derek, although it would be "a little more difficult" to achieve a profit this year because production had not come up to expectations in the first six months.

## Absenteeism

He was referring to the latest output figures which show that only 50.5m. tons of coal have been dug as a contribution towards achieving the industry's minimum target for the year of 115m. tons. Absenteeism during the summer has also shown an increase.

Output per man shift stands at 43.8 cwt as against 46 cwt in March 1973 and over the next six months will have to rise to 48.6 to achieve the sought for 5 per cent productivity increase.

But miners leaders claim that these figures have to be balanced against the fact that miners have

had an extra week's holiday this year and that shift production figures are slightly depressed by a higher proportion of non-productive miners who are still undergoing training.

But the chief conclusion being drawn by NUM moderates is that the industry needs a genuine production incentive scheme yielding cash rewards for higher efforts. Changes in the current scheme are ruled out by the Government's anti-inflation policy, but the fact that miners have won a production bonus for only three out of nine months this year will be used by NUM moderates when, as is likely, they start campaigning for a new scheme next year.

## Shield Packaging expansion plan

By Our Own Correspondent

SHIELD PACKAGING, of Washington, Tyne and Wear, yesterday announced plans for a £2m. expansion programme which will bring 245 jobs to the region.

When production starts in its factory extension in November 1976, Shield Packaging will employ 415 men, and hopes to have a turnover of £10m. by 1980.

## Bid to delay hearing of AUEW dispute

BY ROY ROGERS, LABOUR CORRESPONDENT

THE AMALGAMATED Union of Engineering Workers will today urge an adjournment of High Court moves by moderates in the union who are seeking to postpone a key election.

The union's executive decided yesterday that they would need two or three weeks to prepare a defence of the action being brought by Mr. Terry Duffy, moderate assistant divisional officer, who is challenging left-winger Mr. Bob Wright for his Division Four (West Midlands and Manchester) executive seat. Originally the election was to have taken place next month but has been delayed for six months after political haggling over whether 1,000 or 50 Banbury area members are eligible to vote.

## Moderates' claim

The problem centres on a decision taken earlier this year to switch the predominantly moderate Banbury members from Division Four to the adjacent Division Five (East Midlands and Yorkshire) from next January 1 as part of a re-organisation.

AUEW moderates claim that Banbury members should be allowed to vote in the Division Four election even though Mr. Wright's term of office does not expire until next September, by which time they will be in the pretation of a recent £6 pay award.

## Tyne draymen vote to end stoppage

The 450 delivery drivers who have been on strike for five days at the Tyne plant of Scottish and Newcastle Breweries yesterday voted to end their stoppage to allow negotiations to take place. But they will not go back to work until Monday and, supplies at 700 pubs and clubs are likely to be in a critical situation by then. The strike is over after a recent £6 pay award.

## Airline cabin staff return to work

By Our Labour Staff

BRITISH AIRWAYS' European Division stewards and stewardesses resumed normal working yesterday after a meeting with management officials on Monday night.

The cabin staff have been operating an overtime ban ever since the industry's history of working conditions, but a union spokesman said yesterday that management have agreed to talks at national level to clear up long-standing local problems. During the dispute some European and domestic services have been without bar or catering services, but a spokesman for BA said that normal facilities would be restored from today.

## Tunnel picket

Fifty British Airways Authority drivers began picketing the main tunnel entrance to Heathrow. The men, Transport and General Workers' Union members, who drive vehicles such as road sweepers and runway clearing vehicles, have been on strike for a week over working conditions. So far this has had little effect because 97 other drivers—members of the General and Municipal Workers' Union—have kept working.

A spokesman for the BAA said: "There are no meetings planned."

## Print unions accept pay policy deal

BY OUR LABOUR CORRESPONDENT

UNIONS REPRESENTING some 30,000 printing and maintenance workers employed by national daily and London evening newspapers yesterday agreed a pay increase in line with the Government's anti-inflation wages policy.

In what is probably the shortest annual wages negotiation in the industry's history the National Society of Graphical and Allied Trades, the National Graphical Association, the National Society of Operative Printers Graphical and Media Personnel (Natsopa), SLADE expect to do "significant" work in the next few months. The union's new president, Mr. John Smith, said that the union would be subject to consideration by its executives.

One union not involved in yesterday's negotiations was the Amalgamated Union of Engineering Workers whose members are expected to be made a similar offer when their separate discussions begin next month. Yesterday's talks were over a week over the past 1

## Bakery workers expect to agree to £6 pay rise

BY OUR LABOUR REPORTER

LEADERS OF 33,000 bakery workers in England and Wales are expected to accept to-day a £6 flat rate rise in line with the Government's anti-inflation policy.

A £6 bakers' settlement will be an important boost for the policy in view of the militant campaign of industrial action mounted by bakery workers last year in support of demands for a £40 a week basic rate.

But during informal talks which have paved the way for the expected settlement, the employers have warned of possible redundancies because of the estimated £10.2m. a year cost of the £6 settlement which will be a supplement to basic rates and will not count for overtime and other payments.

The three main bakery groups, Ranks Hovis MacDougall, Spillers and French and Allied reckon that the price of a loaf will, after knock on to the price of a loaf, pose a difficult problem for the Government to increase subsidy or to allow a December will mean payments on top of bakers' current pay rates.

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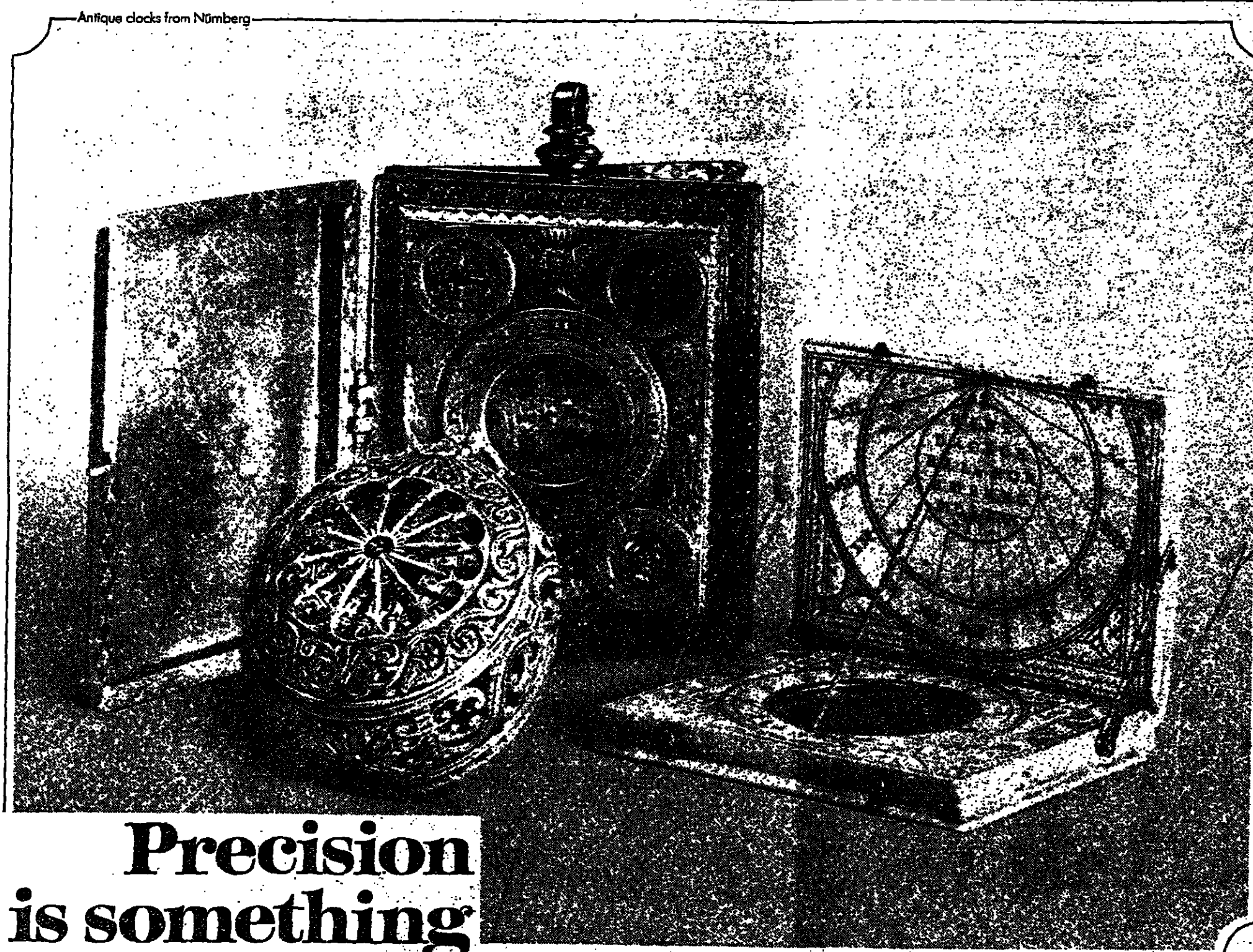
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International Banking with Bavarian Drive and Friendliness

## Water employees war of possible action

BY LORELIES OLSLAGER, LABOUR STAFF

TRADE UNIONS representing some 42,000 manual workers in the water industry yesterday tabled their claims for the full £6 negotiator for the Government's anti-inflation policy.

A £6 bakers' settlement will be an important boost for the policy in view of the militant campaign of industrial action mounted by bakery workers last year in support of demands for a £40 a week basic rate.

But during informal talks which have paved the way for the expected settlement, the employers have warned of possible redundancies because of the estimated £10.2m. a year cost of the £6 settlement which will be a supplement to basic rates and will not count for overtime and other payments.

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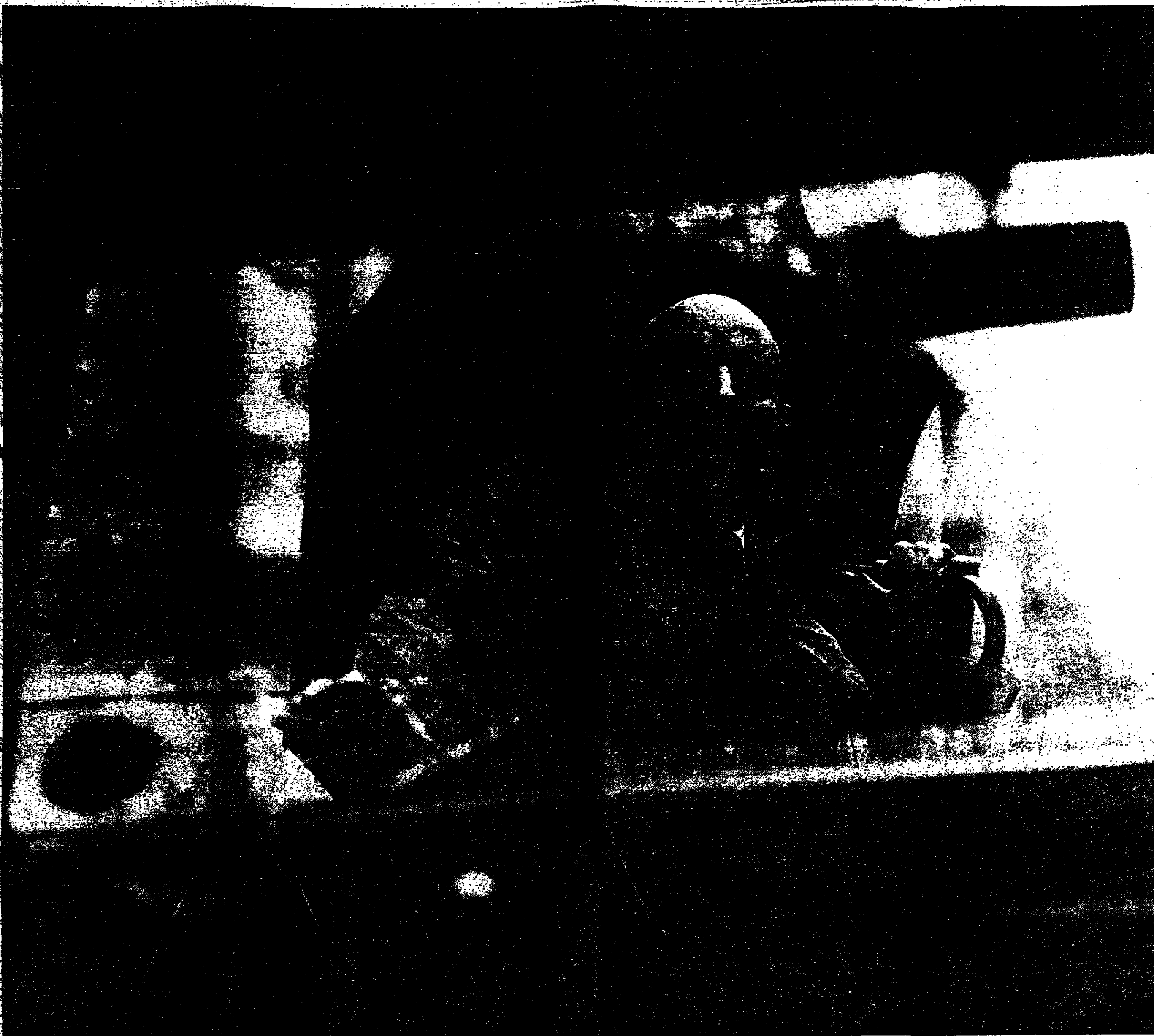
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Day notice lights are lights you notice in the daytime.

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And last year in Great Britain there were 23,600 of them.

Day notice lights are being fitted to all the new '76 models in the Volvo 240 and 260 series.

They come on when you turn on the

ignition and they remain on until you use the car's normal lights or switch off the engine.

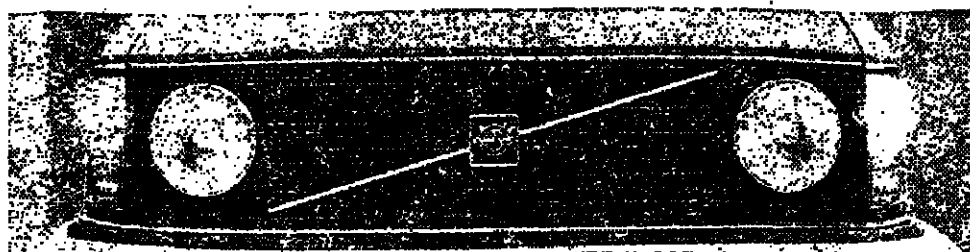
The light is diffuse, so there's no risk of glare as there can be with dipped headlights.

And because the lights run off the alternator, not running down your neighbour won't mean running down your battery.

Of course, some people will scoff.

Driving around with your lights on, they'll say, is just another example of Volvo's over-concern with safety.

Just like they said in 1959 when we were the first major manufacturer to fit seat belts as standard. **VOLVO**









# FINANCIAL TIMES REPORT

Wednesday September 24 1975

## FELIXSTOWE

During the past ten years Felixstowe has swiftly developed as a port. The number of ships arriving there has more than doubled and the tonnage of the cargo handled has increased by a factor of ten.

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ER BEARD

Felixstowe's economy there has been a necessary shift away from the town's attraction as a resort to its new importance as a port. With a work force of 1,100, the Felixstowe Dock and Railway Company, a thriving private enterprise concern, has had a great impact in recent years.

From small resort town to thriving port is a transition of considerable dimension. Even after the Second World War, when Felixstowe's image conjured up memories of happy holidays by the sea, no-one would have believed it possible that the present, modern dock complex would be developed.

The port, with its continually improving facilities, and the better road facilities to the dockside, is changing all that.

Taking the ten years from 1965 to the present century, year of the Felixstowe Dock and Railway Company trade through the port of Felixstowe has steadily grown. For instance, the number of ships arriving at the port has more than doubled from the original figure of 1,500 a year. For Felixstowe, population 3,000, is changing. Gone are the holiday makers. They have been replaced by day-trippers cars taking advantage of the warm weather and fine sea which made the town so attractive with their Victorian successors.

Day-trippers do not contribute as much to the town's economy as the long-stay holiday-makers used to do. Welcome lands is now recognised. Facing them are, to sustain the



The children's boating pool with a putting green in the background.

a place for those who want a quiet day or week relaxing beside the sea.

As headquarters of Fison's, much of the character of Felixstowe reflects the agricultural hinterland surrounding it. Between the town and Ipswich there is a cordoned off area of flat East Anglian fields that stamp the town as very much part of Suffolk.

Even the changes currently being brought about by the port activities owe their origins to that port's original establishment as a port of exit for the shipment of grain. However, though one might regret the passing of Felixstowe as a modest, demure resort, it is to the port that the town must look for future prosperity.

The foresight and imagination which have gone into Felixstowe port's development, with its associated warehousing, storage facilities, and port amenities are beginning to bear fruit for the Felixstowe community just at the right time. They have re-established Felixstowe on the map at the moment when changing leisure habits threatened to erase the resort from it.

A decade hence, and one might envisage a town reborn as a prosperous port, visited not just by the day-trippers but by many of those using the recently established car ferry services, and with amenities which would guarantee Felixstowe its traditional role as a resort. They will first, however, have to do something with that railway station.

promise of a greater flow both of goods and passengers to and from the other EEC members. ever, provide pleasure to a number of visitors. The combined net loss of over £13,000 in the first half of this year, even though the range of attractions ran from the Royal Philharmonic Orchestra to professional wrestling. It is calculated that the Spa Pavilion is subsidised to the tune of £26,000 per annum, or more than a

As a resort, the town is not at the top of the leisure league. It does, however, provide pleasure to a number of visitors. The combined net loss of over £13,000 in the first half of this year, even though the range of attractions ran from the Royal Philharmonic Orchestra to professional wrestling. It is calculated that the Spa Pavilion is subsidised to the tune of £26,000 per annum, or more than a

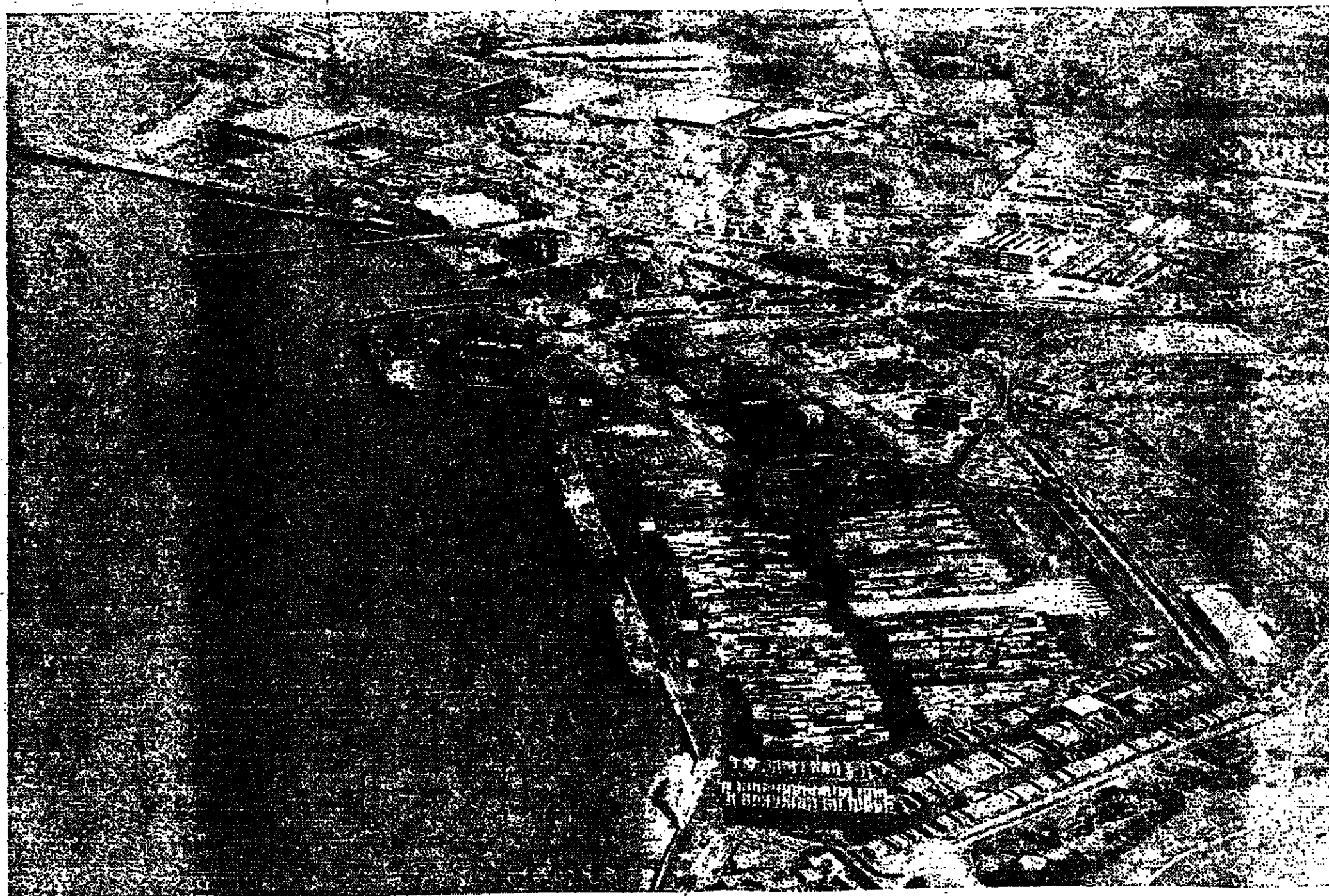
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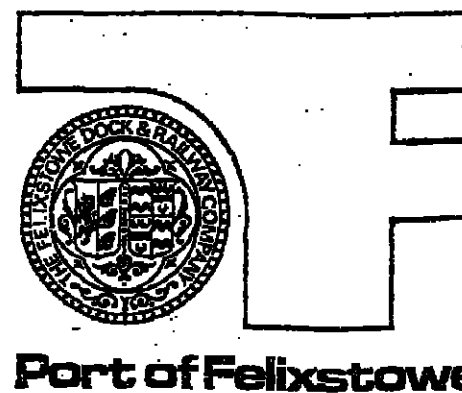
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## THE FELIXSTOWE DOCK & RAILWAY COMPANY



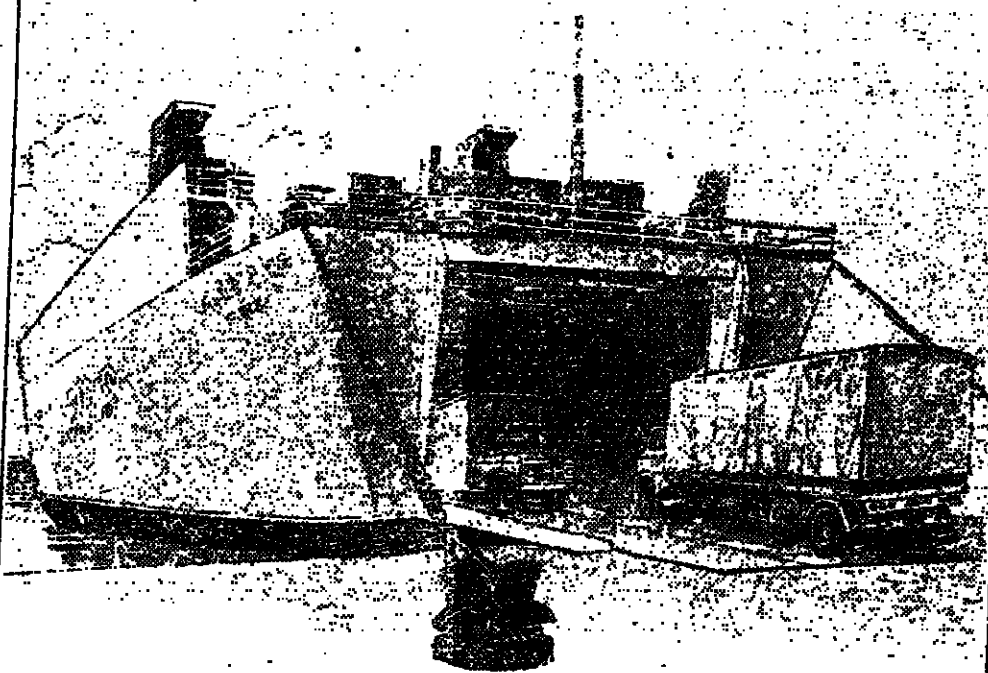
The Felixstowe Dock & Railway Company,  
Felixstowe,  
Suffolk IP11 8SY.  
Telephone:  
Felixstowe 4433.  
Telegrams:  
Dock, Felixstowe.  
Telex: 98277.

CENTENARY  
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## Fred. Olsen Lines

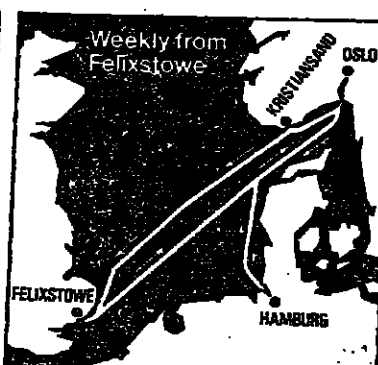
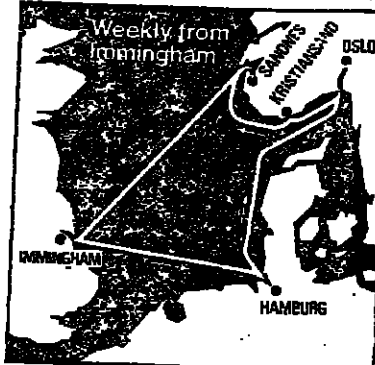


### THE UK-NORWAY MOTORWAY

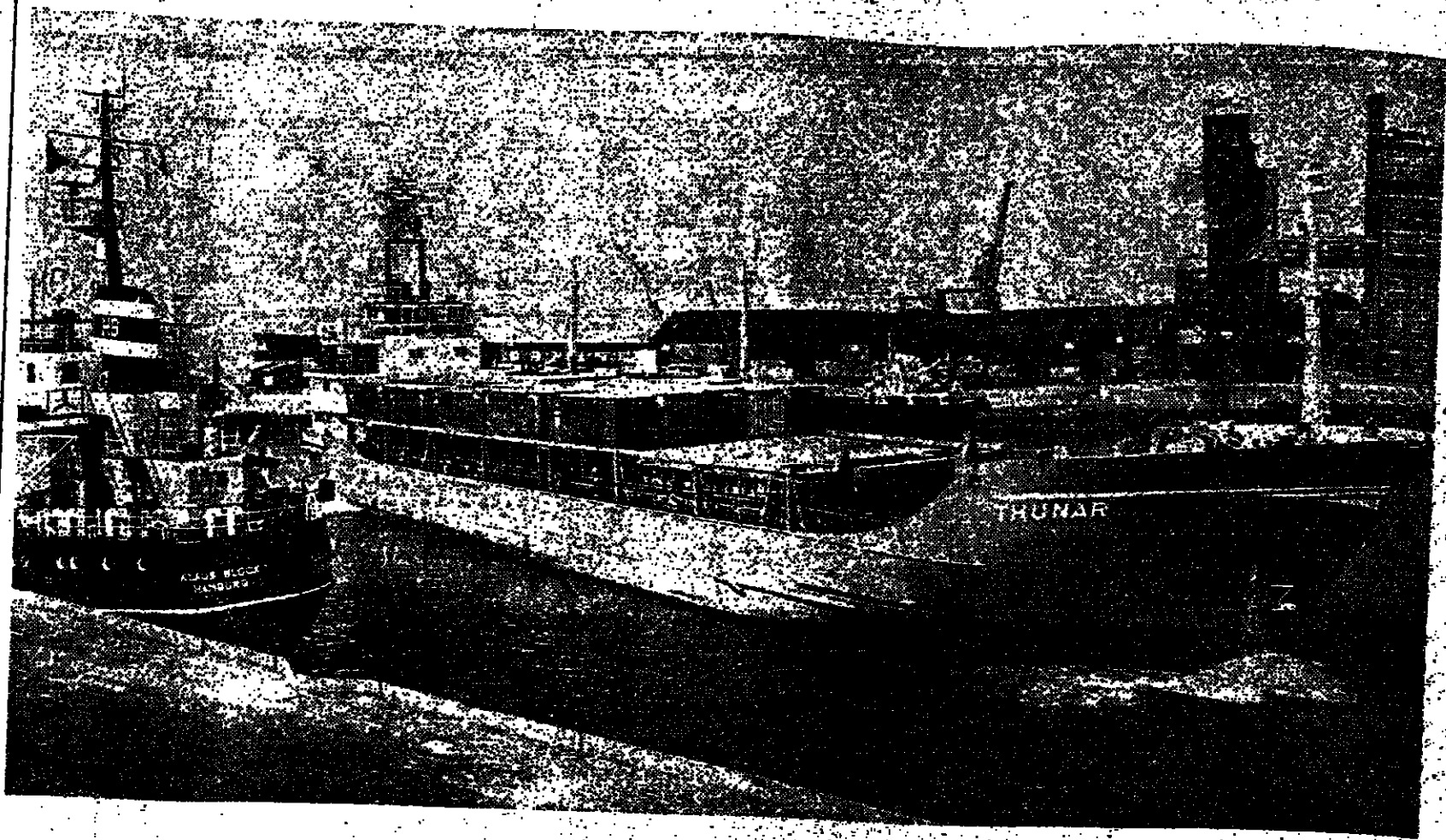
The first Ro-Ro ships built for Fred. Olsen Lines, the Bayard and Boemund, are now in regular service on North Sea routes. These new ships have been

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Boemund enables the line to include Hamburg twice weekly on the schedule. For more information contact: Fred. Olsen Ltd. 33-34 Bury St., London EC3A 5AT, Tel: 01-282 4888



## FELIXSTOWE II



A container ship enters the docks.

The success of Felixstowe, which is the only private enterprise port of any size in the United Kingdom, represents a triumph of enthusiasts against the odds. Yet only a short time ago the dock was silted-up and regarded as unlikely to be much used again.

## Surprising revival

THE FELIXSTOWE Dock and Railway Company this month celebrates the anniversary of its foundation: one hundred years of mixed fortunes which have culminated in one of the more remarkable success stories of British port development. The only private enterprise port of any size in the United Kingdom nowadays, Felixstowe owes much of that success to the energies of one man, the present chairman and managing director, Gordon Parker.

When he took control of the company 24 years ago, the once grandiose concept of the Felixstowe Dock and Railway Company had been reduced to a small, silted-up dock, rotting away and unlikely to be used again. Mr. Parker, a successful East Anglian corn merchant, became interested in refurbishing the dock to deal with the import and export of grain. That was the beginning of an astute business decision which has since grown from a single idea into one of the most successful of the country's ports and is now of increasing national importance. Ports, however, do not grow like Topsy. They need planning and skilled staff.

Mr. Parker acquired the experts, who quickly set about planning the recovery of the port not just with an eye to the grain trade, but with the other eye set firmly on the obvious potential of Felixstowe as a port primarily serving Europe. Many said it could not be done; but with a small band of workers the derelict dock was carved back into life. Old buildings were restored to use, antiquated steam cranes which had seen service in the Great War were brought back into

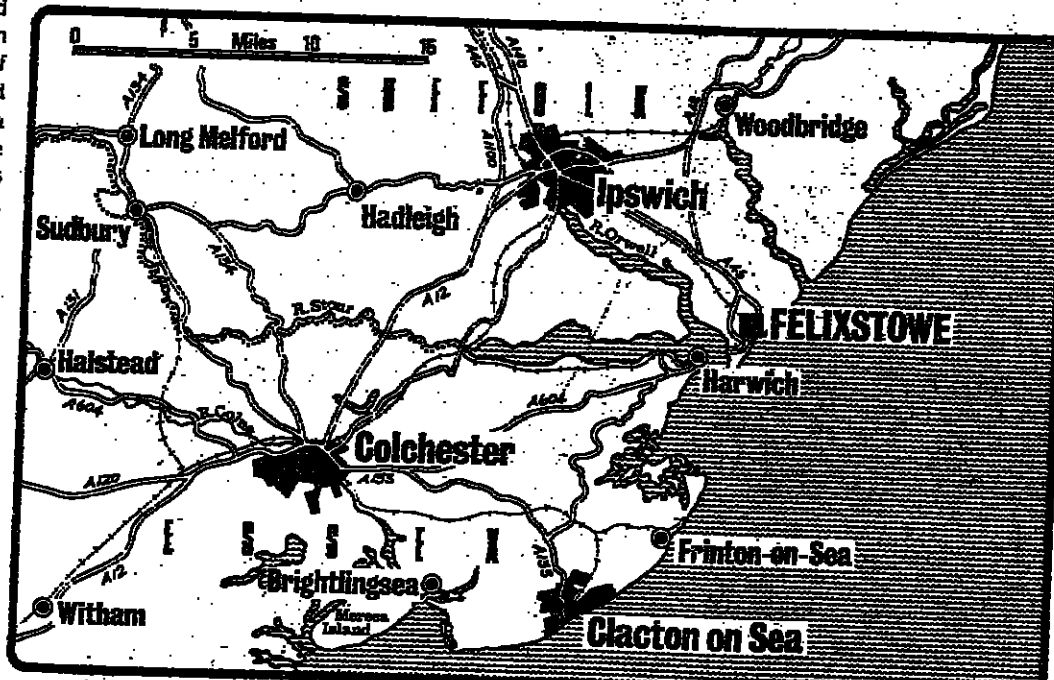
operation. By "spatch-cocking" and working on a shoestring, the seeds of the present port were sown. What was also created was a bond of common interest which, until recently, was a Union, was appointed the first representative for safety and health. Whatever the merits of the case, Felixstowe's lead ports within the public sector could result in similar appointments being made elsewhere. The Felixstowe story can be learnt from it.

### Methodical

Rival ports would see the Felixstowe operation as idiosyncratic. Coincidence, the enthusiasm of an individual, the lack of a strong union tradition among the East Anglian work force, may all have played their part in establishing Felixstowe as a profitable port. The slow, methodical build-up of trade, the gradual improvement of facilities, such as roads. The extension of capacity to cope with the increased trade, all helped.

There is, however, another lesson to be learnt from Felixstowe as a port. Through aggressive selling, frequent trips to overseas ports to gain new trade, and a young, enthusiastic approach from the top downwards, the staff has developed an enthusiasm which gives the outsider the impression that they cannot fail to continue their success. As an instance, a two-bedroomed, semi-detached house of the older kind, close to the centre of the town, carries an asking price of just over £8,000, while a standard three-bedroomed semi-detached family house goes in the region of £10,000 to £11,000. Further up the market in the villages and hamlets surrounding Felixstowe, but also within very easy reach of the port, is a modernised agricultural property, which fetches the highest prices.

It is axiomatic that successful port operation that ships are turned round in the fastest time within the capacity of the particular port. In part this depends on efficient handling methods, far more on good industrial relations. The port cannot deliver will an acre is on the market at £19,000, and there is a variety of modernised cottages—all at relatively high prices—whose selling point is their operation of private enterprise's period charm coupled with the



brought up-to-date extension of rail on cargo facilities, the installation of modern housing and cold storages. What was once the industrial archaeology of a modern port with Freightliner De handling equipment of a standard as any met longer established Brit

### Dream

Many of the Felixstowe staff are joined the company port was little more dream in a grain me eye. These have risen the ranks to top man positions. Now, with a of 1,100 that family may change. It would be Three hundred acres and handling 3.5m. cargo, the variety of foreign ports represent a triumph of enthusiasts against the odds. Eyed enviously there are as many less years in it.

A wide range of property is currently on offer and the town also offers the advantages of sailing and fishing and a beautiful surrounding countryside.

## Property

RESIDENTIAL PROPERTY fine views and facilities for those either with boating or fishing interests. With no shortage of housing in and around Felixstowe, and given the natural beauty of nearby Orford Ness, the river Orwell and the continuous passage of traffic to and from Felixstowe Port and its friendly rivals Harwich and Ipswich, the area is much the tasteful of the local population as of the summer visitors. In this part of the world, people are prepared to travel some distance for entertainment of their choice; not just to the big city, but to the country centres which have a reputation for some weight. For the music lover, there is restricted to the fortunes of primarily Aldeburgh, with its festival and a long-standing tradition of music of an international standard. On the many more who prefer to

front, the loss of Spa and Pier Pavilions a varied programme of activity from the S Fire Service Band to the popular soprano. To remind those city dw who might believe that the square mile of Lon theatreland, there is a w of activity, some amateur some professional. Through the small East Ang communities. From barns through public house p recitals, to locally based po and country craft groups, is constantly reminded that area is a thriving cultural community. Felixstowe and citizens benefit from this.

CONTINUED ON NEXT PAGE

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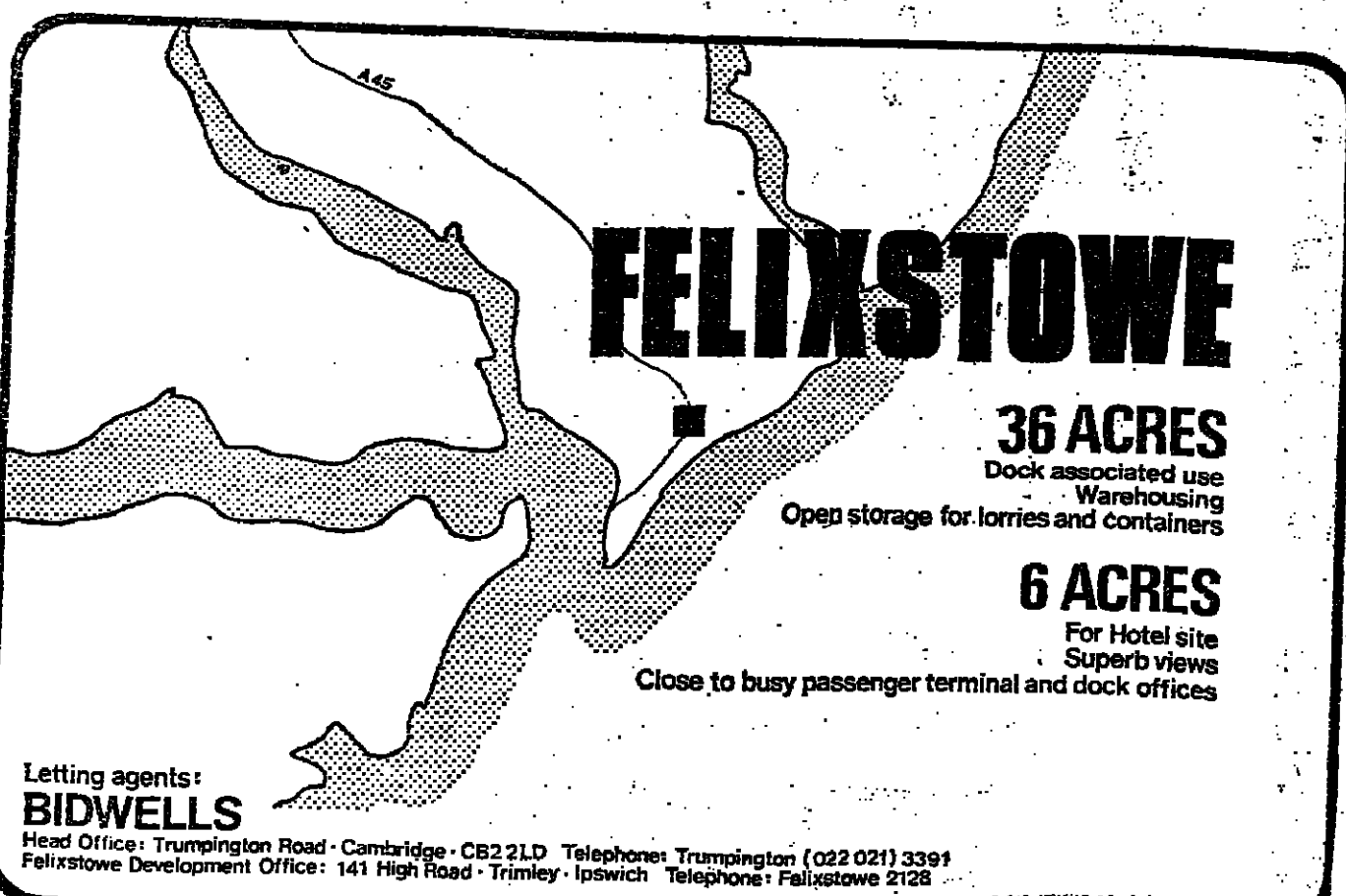
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## FELIXSTOWE III

The roll-on/roll-off business has been largely responsible for the expansion of the cargo trade. Extensive quays cater for the container traffic and much modern equipment has been introduced. There have also been significant improvements in road and rail communications.

# Cargo handling

Bob Kallander, Felixstowe's executive director, attributes the port's success as Britain's fastest shipping outlet and a high on last figures made of £540,000, and he will be a short answer: he says, "our men give us eight hours, work 12 hours pay."

a record of which Mr. Kallander is proud, together with a continued expansion charge, using the most equipment suitable for its size. Felixstowe's turnaround "states": "The at the independent Felixstowe is fast, free handling of cargo rapid turnaround of and of road transport

als

on the import and export, the range of commodities handled to make up the image is wide. Unlike ports whose tonnage may be boosted by oil, Felixstowe's pattern is greater diversification from cereals, through machinery, vehicles, and down to the handling of ammunition.

bulk of the cargo handling is divided into containerisation, and roll-off trucking services. considerable area set the landward marshalling dispersal of the country to Felixstowe has been much improved. The effect that such an influx of passengers will have on the Felixstowe economy has yet to be calculated.

Port development has meant not just the provision of hard storage space for containers, parks for lorries, and general warehousing. It has also entailed the build-up of tank capacity to store the liquid chemicals which the port now handles. The first storage tanks were, in fact erected for the Admiralty in what was thought to be the first such installation in the country.

To-day, the increase in bulk liquid cargoes has meant that expansion of the storage tank capacity is always under review; the more particularly since Felixstowe is close to Rotterdam and other continental handling ports. Tanks are



The roll-on/roll-off terminal.

Passenger services are recent developments in Felixstowe's progress and now operate to Zeebrugge and Gothenburg. It is confidently expected that this comparatively new service will expand considerably now that road access from the rest of the country to Felixstowe has been much improved. The effect that such an influx of passengers will have on the Felixstowe economy has yet to be calculated.

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## Property

CONTINUED FROM PREVIOUS PAGE

helps in bowls, in village green cricket, in rugby, and—increasingly—in sailing in the excellent estuary and coastal waters around the town.

With the season for the annual horticultural shows just finished, there are many individuals in the small communities which help mould Felixstowe's

character now basking in the glory of winning first prize for a particular bloom or vegetable. If there is one black spot in this traditional English country activity, it is in the provision of the town's young people. Felixstowe is a pleasant place to which to retire. Inevitably, the facilities available for the differing tastes of the town's young people suffer. Many would say that they have to travel to Ipswich for their entertainment, and that the entertainment provided for them there is still inadequate.

## Quiet

The day tripper or longer term visitor to Felixstowe must be prepared for a holiday which is by the nature of the place quiet. There are some good restaurants, beach facilities for the children, and, as already mentioned, a reasonable level of evening entertainment. Of greater interest, perhaps, is the close proximity of the wild, Suffolk countryside to the north of the town, and the small villages which can be reached from Felixstowe by car.

In a town with as strange a mixture of modern port activity, a long leisure and holiday tradition, and serving some function as a dormitory for the thriving industries of Ipswich, it is difficult to pin down the town's essential charm. Charm, however, it has, with a variety of old buildings, an air of quiet confidence, and a certain dignity. With its small population, one could not expect it to compete with other resorts of far greater size, or even inland towns which act as retail and marketing centres. It has, though, two major advantages: the beauty of the surrounding countryside, much of which is protected, and the sea and estuary. With the growth of sailing and fishing, as the town gradually changes character, these natural amenities may turn out to be Felixstowe's greatest assets.



## Ship the conference to Sweden? No sweat.

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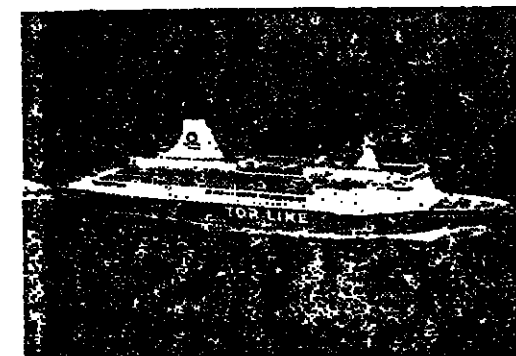
Firstly, there are the two leading hotels in Gothenburg. The Europa is near the busy centre of Sweden's second largest city. The Scandinavia is in a quieter position, overlooking the Gota river. You can get right away from city life to the Stadshotell Varberg, with its 37 miles of beaches or go right into the heart of Sweden's mountains and forests to Boras and the Grand Hotel.

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## The Executive's World

EDITED BY JAMES ENSOR

William Dullforce reports from Stockholm on Electrolux's entry into the big league through take-overs

## Tigers don't eat grass

"Tigers don't eat grass," says Electrolux chairman Hans Werthen with a twinkle in his eye. He will be swallowing his big acquisition in four months when he takes over the Group in France, Germany and Switzerland on January 1. He will also be taking out the ground for the British domestic appliance company's claim to a major share of the European white goods market, which is just beginning to show a more stable pattern than the Italian refrigerator makers' devastating attack on the Swedish market.

## Turnover

Electrolux's expansion really got its way at the beginning of the decade. Electrolux has tripled its sales to just £350m., taking in on the average £100m. a year, the last year. The company, which was in the black at the half-stage this year, The Martin Group is expected to raise the turnover by a further £107m. next year, consolidating its position on the French, Belgian and Swiss white goods markets and, in the future, opening up interesting prospects in West Germany.

## Business Problems

## Tenancy created

In a number of allotments, you would be entitled to increase the rent on a new letting, either dead or gone, though of them is now occupied by a son of a tenant who never had my agent of his father's. Does this render his tenancy invalid? Could I raise the rent? In the son of the deceased tenant conceded from your agent (fact of his father's death and the son was tendering rent on his own account, no tenancy created. The agent must not provision of food and service, but rent from the son now and not just a sham, the Rent Act's true position is known. Acts would not apply to a bed

## Unwanted guests

If we take in bed and breakfast guests for the winter months and they refuse to go, can we just turn their guests and chattels out after a week's notice, using all the usual legal proceedings? The son was tendering rent on his own account, no tenancy created. The agent must not provision of food and service, but rent from the son now and not just a sham, the Rent Act's true position is known. Acts would not apply to a bed

France and Belgium, taking, for instance, just over 20 per cent. of the French market for both electric and gas cookers and washing machines, in which it is currently selling some 375,000 units. The gas cooker range is of particular interest for Electrolux, since it at present has no production in a field which promises to expand quickly, as natural gas networks are built out over the continent.

The French bought 1.5m. washing machines last year, just under 12 per cent. of them from Arthur Martin and its subsidiaries. Even more attractive from the Electrolux point of view is the dish-washer market, of which Arthur Martin took only 6.5 per cent. But as only 5 per cent. of French homes so far own a dish-washer, the potential remains enormous.

## Outlets

Moreover, Arthur Martin has continued to market refrigerators and freezers, buying them from outside producers and maintaining a respectable 8-9 per cent. of the market. Thomson-Houston are the leaders in this field but French domestic production is relatively weak and some two-thirds of both refrigerators and freezers sold in France are imported. Electrolux has a small share only, but the takeover of the Martin Group will give it access to some 12,000 outlets and solidly reinforced its competitive position against the other foreign suppliers. The value of the Martin sales network for Electrolux vacuum cleaners is almost incidental but obvious: Electrolux has had direct sales, door to door, in France, but will now also be able to exploit the trade outlets.

The "fit" between Electrolux and the Martin Group and the

BY OUR LEGAL STAFF

to have them audited. Section 8 of that Act empowers the Charity Commissioners to call for the accounts and to require the accounts to be audited, but that is only done in a comparatively small number of cases each year.

## Investing in Euro-dollar deposits

I am now living in Malta and am trying to protect myself from any further fall in the value of sterling. I already hold certain sums in Switzerland. Could I invest in Euro-dollar deposits and if so, how do I set about a purchase? Have you any other advice to offer on the subject?

We assume that you are non-resident of the U.K. for exchange control purposes, and are investing from funds held in Switzerland.

If this is your situation, there appears to be nothing to prevent you from investing in Euro-dollar deposits, and your bank would certainly arrange such a transaction on your behalf.

However, we should make a number of points. First, in order to get the best rates, a fairly substantial sum would need to be invested — say of the order of £50,000. Secondly, the rate you would earn would be substantially lower than in sterling deposits; at the time of writing around 9 per cent. for Euro-dollar deposits against perhaps 11 per cent. in sterling. Finally, you would still be exposed to an exchange risk: while the dollar is at present gaining, you would need to keep a close eye on developments and be prepared to switch if the situation changed.

## Claims on winding up partnership

Is there any way that responsibility can be finalised once a partnership ceases to trade? Responsibility continues so long as claims are capable of being made, normally 6 years from the implementation of the contract. Winding up the partnership would not terminate or restrict the period.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.



Mr. Hans Werthen, executive chairman of Electrolux: a strategy of avoiding the cut-price discount market, dominated by the Italians, by marketing the "complete kitchen"

road loan. This would appear changes, but Mr. Werthen to be a very low price for a group with good brand names, a product range complementary to that of Electrolux, and offering scope for rationalisation and, above all, for a foothold on the Continental market.

There is another interesting facet to the deal. Electrolux, which borrowed heavily on the international capital market last year (£27m. for the NVE purchase alone) will pay cash advance of a small country for its Martin holding, but it would be no surprise, if it were shortly to make its first share issue on the Continent. It is unlikely to want to buy up the Martin shares remaining on the French Stock Market.

Electrolux is quoted on the London and Geneva Stock Exchanges, but the Italian

but the Nordic market and Britain still offered too small a base to secure the company.

The rebirth of absorption refrigerators, Electrolux's original invention, for use in caravans, gave a more than useful bonus, boosting the profit margin on the group's white goods production and putting it into the lead on the Continent for this specialised market. The sale of the American Electrolux company for £33m. in 1968, then provided the cash to start the big expansion.

Mr. Werthen's argument was that, to survive, Electrolux had to be as big as its main rivals and operate a comparably wide product range. The result has been an aggressive expansion of both marketing and production worldwide. Last year the group made just under 1.4m. refrigerators in the upper price bracket, which means that in sales income it was level with its competitors. A pre-tax profit of £51m. on an almost £600m. group turnover and an adjusted yield per share of £1.9 indicated that profitability was also being maintained. Under declining market conditions this year Mr. Werthen expects to keep the profit steady on increased sales of just over £600,000.

## Digestion

Is Mr. Werthen's appetite for takeovers satisfied? Electrolux has started a joint venture in Iran, an £11m. factory for refrigerators and vacuum cleaners, for which it is able to borrow locally. It is re-establishing its refrigerator factory in Australia and expanding its vacuum cleaner and typewriter factories in Brazil. Ideas are burgeoning but Electrolux almost certainly needs time for digestion. The group now carries as much weight as its biggest rivals and the moment seems to have arrived for internal consolidation and rationalisation. A £13.5m. increase in equity by a one-for-five bonus and a new issue of £4.3m. to the investment company earlier this year, to create working capital, are also indications from the financial side that Electrolux will curb its appetite. Any new acquisitions would have to be earning profits.

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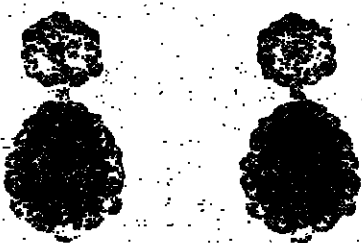
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## Cost of repairs to cottages

I own some cottage properties let to tenants on small rents, which cost me a lot in repairs. Is there any way in which I can transfer the cost of repairs to the tenants? You cannot now impose on your controlled or regulated tenants repairing obligations which their present leases do not require them to undertake. It is only in respect of any new letting to a new tenant that you can, by granting a lease for more than seven years, impose a covenant to do the repairs with which you are concerned.

## Charitable trust and accounts

Is there any obligation on trustees of a charitable trust to have the accounts audited and, if so, what is the authority for such requirement?

Section 32 of the Charities Act, 1960 requires the trustees of a charity to keep proper accounts, but does not oblige the trustees

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WEDNESDAY, SEPTEMBER 24, 1975

## On the Ulster tightrope

THE PROVISIONAL IRA For the British Government apparently considers that it has little option at the moment maintaining the cease-fire in but to continue to walk the long Northern Ireland. Speaking for tightrope in Northern Ireland, the Government in the House of Lords yesterday, Lord Hailsham said "The cease-fire political solution, which means was one declared by the IRA persuading, or pressing, the itself. We have no knowledge therefore of whether they have broken it or intend to break it." This is disingenuous. The day has certainly not been issued a formal statement proclaiming the end of the cease-fire, but they have made their intentions perfectly plain. The terror campaign in mainland Britain is one aspect of this (whether it is conducted by the Provos themselves or by a splinter group they have failed to discipline makes little difference). The resumption of bombing in Ulster, and the declaration of open warfare against the Royal Ulster Constabulary is a second sign.

The blame, as usual, does not all lie on one side. The Protestant paramilitary organisations have for some time been preparing for possible battles to come, and sectarian murders by both types of gang have continued. But the basis of the political understanding under which Northern Ireland has been administered since Christmas has now been destroyed by the IRA Provisional's bombs. For this reason the Secretary of State for Ulster, Mr. Merlyn Rees, had no option but to announce yesterday morning that "security forces will respond to the level of violence which occurs."

## Turn of the screw

The presence of these forces is apparently to be more strongly felt in Belfast, Londonderry, and parts of Tyrone and Armagh. There have been arrests ("a number of people are helping security forces with their inquiries"). Selective screening, and more vehicle checks, were to be expected. These measures, taken together, might amount to one turn of the screw by the Army in Ulster; what remains to be seen is whether there will be need for further tightening-up in response to further escalation from the other side.

## The politics of productivity

THE LATEST attempt by the National Coal Board to enlist the help of the Mineworkers' Union in an attempt to improve the productivity of the coal industry is only one of a continuing series. It is nevertheless necessary. If coal is to remain competitive with oil after the latest miners' wage increase, there will have to be a reduction in production costs; if full advantage is to be taken of the fresh opportunities facing the coal mining industry in an era of much higher oil prices, higher investment must be allowed to result in higher output. Yet the fact is that there has been a widespread decline in productivity so far this year, even in the most heavily-mechanised mining areas, and many pits are losing money on a grand scale.

To some extent, as union leaders have suggested, this drop in productivity may be psychological. With the country in the middle of a recession and industrial as well as domestic consumption of coal well down, even a slight rise in pithead stocks may seem to suggest to the moderates that higher productivity and production are not needed, to the militants that they will tend only to increase stocks and reduce the bargaining strength of the union in future negotiations. All have suffered financially, to the extent that they have failed to earn a productivity bonus for two quarters of the year in succession.

**No incentive**

A more immediate cause of the failure to improve productivity as hoped, however, is the present form of the productivity bonus, which is paid (or not paid) across the board to all miners. The incentive element of payment by results is therefore almost entirely lacking. It was the aim of the Coal Board in last year's negotiations to provide this incentive by linking productivity bonuses to the level of individual output at each pit in relation to a target

laid down according to its particular circumstances. They failed to get their way for two main reasons.

In the first place, it was difficult after many years of working with the union towards a national wage to change direction overnight and go back to the idea of payment (whether to faceworkers alone or to all miners) according to results at particular pits. In the second place, both sides realised that there was a political issue of some importance at stake. If a scheme of payment by results were to be reintroduced, there would almost certainly be a revival of competition between different regions: at the very least, the fact that different groups of miners had different interests at stake would be underlined. From the point of view of the Coal Board and perhaps of the Government as well, such a development would reduce the risk of a damaging national miners' strike. From the point of view of militant union leaders, it would tend to split the union and reduce their own power. In the end, it was the militants who won and the Board's proposals were rejected.

## Next test

But the miners' vote to accept the Government's pay policy may well have helped to revive the hope that this situation can still be reversed. No new productivity deal can be struck for the time being under the terms of that policy: for the moment the drive for higher productivity must rest largely on exhortation. But when the time for the next round of negotiations comes round in the spring and the next phase of official incomes policy is already on the skyline, the Coal Board may very well bring up again the idea of a productivity scheme which gives individual pits an incentive to earn more through higher production. The union reaction will be an excellent test of how far opinion has moved back towards the moderates.

## Political ebbs and flows in Spain's tide of violence

From ROGER MATTHEWS, Madrid, September 23

THE CAPACITY FOR ruthlessness violence at either end of Spain's political spectrum again seems to be threatening the nation's chances of finding a moderate, pluralistic, conciliatory form of Government after the departure of General Franco. While the basic and weighty arguments in favour of stability remain valid, it would be unwise to underestimate the effects of the rising tide of violence should it be unchecked for much longer. Already, there are fresh wounds, which will not easily heal, and a hunger for revenge, that will be difficult to placate, to add to those emotions hanging in the air from the Civil War and its aftermath.

Both groups of extremists must be pleased at the turn of events. For them the options are simple—a dictatorship of the proletariat or virulent right wing domination—with the common enemy a peaceful transition towards a form of democracy. As a result 12 policemen have been murdered this year. 11 people face the death penalty, many hundreds have been arrested, more civil liberties have been withdrawn or threatened, the voice of moderate opinion is almost stifled and the Press has been muzzled more fiercely, leaving the vast mass of Spaniards bemused, anxious and, as ever, powerless.

## Demanding justice

From a coldly professional political point of view—the actions of the two main terrorist groups involved—ETA (Basque Homeland and Liberty) and FRAP (the Revolutionary Anti-Fascist Patriotic Front)—have been precisely tailored to meet what they see as the needs of the situation—that is, to provoke the regime and force it deeper into the cul-de-sac in which it now appears to be trapped. As the number of police killings has increased—selectively on the part of ETA, entirely at random on the part of FRAP—so the voices on the extreme Right demanding "justice" have risen to a crescendo.

But it is not just voices. During the three-month state of emergency in the Basque provinces of Guipuzcoa and Vizcaya, introduced on April 25, there were over 80 recorded cases of extreme right-wing attacks on the property or persons of people suspected of having Basque Nationalist sympathies. Despite these machine gunnings, bombs and beatings, not one person was arrested and not one case brought. The "Guerillas of Christ the King" were supposedly to blame, but Basques themselves believed that their ranks were heavily swollen by off-duty police. Amnesty International found that there was "irrefutable

evidence" that torture was used against Basque detainees, while "underground" communiques from Basque Nationalist organisations regularly listed the "atrocities". So, overall, it is hardly surprising that ETA has achieved a degree of popular support among the working classes which is related not to the overall aims of that organisation but to the manner in which the security forces have treated the Basque people in their efforts to suppress it.

Probably the majority of Basques aim at little more than their own representative regional democratic assembly coupled with freedom to speak and develop their own language, literature and local traditions. There is little to suggest that, like ETA, they are heavily Marxist oriented or want to separate entirely from the rest of Spain. The new law's terminology offers considerable scope for interpretation, especially in the section which permits heavy

girls, after a summary court martial lasting just over four hours in which the defendants were denied, for most of the time, legal representation made on their existence. As a self-proclaimed "democratic" party the leadership in Paris immediate moves must be hoping that to avoid too many charges of "revisionism" and what the regime itself was shown on Portuguese... dub... "social the regime itself was shown on internal pressures and internal protests... (partly Spanish Social Reform, led by finally to topple the regime... This autumn, wage negotiations affecting 330,000 companies and 1.8m workers are scheduled to take place, the first to be held since the sweeping gains claimed by the Communist Party, the Workers' Joint Platform which comprises in a "united democratic front" the Christian Democrats, Social

Democrats, Socialists and others and the Democratic Junta, led by the Communist Party, in an appeal to General Franco for clemency. Such unity may be brief but it does genuinely indicate the breadth of hostility engendered, especially by the anti-terrorist law.

Certainly Government ministers, especially those involved with the suffering economy, are all too well aware of the damaging effects: that the current storm of international protest could have. Additionally, those who backed wholeheartedly the mild liberalisation programme of Prime Minister Arias must recognise that the political initiative is now firmly in the hands of the hardliners, and that, consequently, their own positions are under threat.

They, as much as anyone, loathe the outbreak of extremist violence. But the political game

during this year's elections for the junior ranks of the official "trade union" organisation. With inflation still running at over 17 per cent, employers bound by law not to offer more than the increase in the cost of living index plus in exceptional cases, 3 per cent, and companies profits anyway hard hit by the economic downturn, the negotiations were bound to be highly combative. Add to this a more inflamed political situation and it does not require a crystal ball to predict a deepening shopfloor challenge to the regime this autumn, especially with 800,000 workers now without a job.

For the other illegal political parties in Spain which eventually aim to have a substantial following there is, perhaps, an understanding for the causes of the present terrorism but no sympathy for those per-

punishment for those guilty of showing "sympathy" for terrorist groups, separatists or illegal political organisations. Given the extensive powers available to the police before the introduction of the anti-terrorist law, it is not easy to accept that so much more was needed to combat the activities of at most a few score urban guerrillas. The principal illegal political parties, which might expect to play an important role if democracy is ever attempted in Spain, are urging General Franco to exercise clemency for those sentenced to die. But, especially in the case of the Communist Party, more critical issues are involved.

Officially, Party members are being instructed to keep calm and do nothing while preparations go ahead for a general strike in late October. This appears to be testing the renowned discipline of members, sympathy for those per-

some of whom are known to be reacting it. Yet in a way, is fast moving past the regime's of reactions to terrorism. As demand—that General Franco though no-one can be a death sentence are reg the regime will seem to bowed to international pr (stated to be Marxist) local Press, though the hardly come into that the political poli whose actions they dep much. If most of the 3 executed, the internal and national consequences of whole nation will be a extremely unpleasant.

The solution to the is as seen by many mem the Government and so the political opposition, immediate renunciation General Franco is law Prince Juan Carlos, his this move—and it would possibly be followed by hints in the direction of, racy—it might be difficult contain the more violent elements in Spanish. Without it there is a body of opinion that believes process of polarisation reach far more dangerous. It is hardly surprising, fore, that the eyes politically conscious are ing increasingly in the di of the army.

## Nothing is common

Although it is always sary to recall that the Army has virtually noth common with its Port counterpart, talks with reveal that neither is it a senior general would be public believe. That thought necessary to of the General Staff Lt-4 Manuel Diaz Alegria las and arrest a major sin capitain in July is some indication of the current-ning through it.

Prime Minister Arias been actively encouraged in his post by certain who are opposed to the oustings of the family around. General Franco these same men are unlikely kindly to per- rousness suggesting po- important changes in-top sivity, the key character the Spanish military, may its limits when those ge still basically loyal to G Franco understand the threat to the nation is the solution or control of year-old man. To this terrorism, while only part crucial issue facing the co could be the factor that tips the scales.

## MEN AND MATTERS

## Cousins' NEDO mission

The meeting in early November of the National Economic Development Council will be an especially important affair, with Chancellor Denis Healey and Secretary Eric Varley due to present a paper on the identification of industrial growth areas. The exercise is bound to include considerations of manpower flexibility, which from about that time will be tackled nationally for the council's executive, by John Cousins.

He is switching to the National Economic Development Office after 12 years as a full-time official in the Transport and General Workers Union which his father ran as general secretary for 13 years until 1969, with a break to be Minister of Technology. John Cousins, now 43, looks and sounds a good deal like the old boss, with a similar liking for blunt, embracing pronouncements.

The present outlook "frightens me to death," says Cousins. "I'm very fond of my country, which used to be the most efficient in the world. Now it's slipped back. I want to try to stop that rot."

How far his new job of manpower and industrial relations director at NEDO will help him do that is debatable. Cousins sees himself, after a good deal of jettisoning around the world for the TGWU, getting deep into the shop-floor discussions in Britain's industrial heartland on the need for changes in working practices and attitudes. He will also set himself the mission of explaining to rank and file union people what NEDO is all about.

Cousins himself started out as an airline steward (serving drinks, not unionising) with BOAC, becoming a full-time officer of his union after eight years. He has risen in the TGWU to be a national secre-

tary responsible for 200,000 public sector and air transport members, which means that only a dozen or so unions actually have a bigger membership than he is responsible for.

Sons often face a difficult time if they follow the footsteps of a famous father. With Jack Jones due to retire from the TGWU leadership in 1978, Cousins has been mentioned in the running to succeed, but pretty far back. He has obviously counted himself right out with his decision to move to NEDO, though even there, his father's shadow is just evident. Frank Cousins was one of the six original union representatives on the NEDC in the early 60s.

## Imagery

"We've opened the doors, by being as helpful as we can in answering inquiries. Effectively, we're showing 'the books.'" Thus a City Corporation spokesman explained the gentlemanly way the counter-attack on the London Labour Party's proposal for a Greater London Council takeover is being handled.

The issue got an airing at the GLC yesterday with the Conservative opposition asking whether council officers had been involved in drawing up the report which castigated the City's undemocratic ways and urged that its running be handed over to a GLC committee. The answer was that the report had not been assisted into life by any of the GLC's employees.

The Corporation, stung by Labour strictures, has decided the time has come to make sure its image stays as brushed as possible. To this end, the town clerk, Stanley Clayton, Alder by the rise of today's more common councillors were sent may now be dominated by a handful of companies (mostly

Lyons and Brooke Bond) but the odd small business has survived the sorting-out.

London Tea and Produce is in that category, having started around the turn of the 18th and 19th centuries. Its many changes of hand and fortune left it until 1957 in the ownership of a leader and one of the authors of the Labour report, was invited to dinner at the Guildhall last night to discuss such points.

Could a détente break out? Unlikely, but if takeover does come, it has at least been postponed. It was crowded off the agenda of Labour's last home affairs committee meeting, which means the topic is expected to miss the party conference next week.

Their new interest is a very different world, with high quality tea retailing around 90p a half-pound. Gill claims to be in close touch with the Indian Government on supplies and gets London Tea's packing done (under close supervision) at a Leighton Buzzard plant run by yet another former Brooke Bond man.

London Tea's main competitors are Twinings, part of Fine Fare, and Broker McConnell's. After a period when coffee-drinking accelerated at the expense of tea, Britain's traditional drink is gaining popularity again. But is there potential at the expensive end? Gill thinks so: his sorts of tea have only a tiny proportion of the market at the moment, while most speciality lines in other areas manage a 10 per cent share.

## Two for tea

Remember Mazawattee? Once it was one of the country's best-known brands of tea, overtaken by the rise of today's more common brands of tea, the market

## Swops?

A colleague thought twice about a notice he saw in the John Lewis department store which announced "Baby changing area."



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The Financial Times Wednesday September 24 1973

The Government is to consider ways in which industry and the unions might give more support to the arts. Antony Thorncroft reports

# A Lever to get more money for the arts

ARTS world, which at the moment has had its back to the wall in recent months, is a welcome shot in the arm. The one area which has attracted a fair amount of industrial help is orchestral music. Orchestras can offer a sponsor a continuous existence and regular performances before sizeable audiences (all told over 2m people attend concerts each year). They also provide the opportunity for companies to entertain existing and potential customers and staff.

All the major orchestras have made strenuous efforts in the past three years to attract outside finance, with some success. The main beneficiaries have been the big four London orchestras, which desperately need the cash to make up for their rather limited State subsidies. The London Philharmonic Orchestra, for example, receives only 17 per cent of its income from subsidy, against the 75 per cent that a major foreign orchestra, like the Berlin Philharmonic, can rely on. So the LPO has gone after sponsors, and these currently contribute over £70,000 to its turnover of around £800,000 a year.

Its major supporter is W. D. & H. O. Wills (not surprisingly the tobacco companies are the main commercial patrons). Wills has helped the LPO for ten years, mainly by financing six recordings a year which can then be sold under the Embassy label at subsidised prices. As a result, record sales have now topped the £1m mark, and Wills recoups much of its investment because of the commercial success of the venture. However, the money is re-invested in the orchestra, which gets over £200,000 a year from the company.

The LPO has other helpers: the Commercial Union is con-



The Royal Opera House, Covent Garden, attracts most commercial money for opera: this is a scene from last week's new production of "Siegfried" which received backing of £40,000.

tributing towards a tour of the north of England later this year. Peter Stuyvesant Foundation, the first provincial tour that the orchestra has been able to perform, would not be commercially feasible; British Airways, Sun Life, Perkins, and IBM have all sponsored concerts, often in (U.K.) gives over £10,000 a year. Charles Stapleton, a their work force; and Rank Insurance brokers, helps to pay for the LSO to tour Eastern Europe in 1977.

The New Philharmonia Orchestra is less generously helped, but the Royal Philharmonic Orchestra is considerably aided by Legal and General Assurance which is contributing £80,000 over three years. The London Johnson's Wax gave £6,500 earlier this year to enable the

orchestra to perform some 20th century compositions, a contrast to the earlier industrial help for this orchestra which came from companies like Curran House, Scaramans, and Chamberlayne underwriting individual concerts at the Royal Albert Hall.

At one time there was a danger that the London orchestras, which are already helped most by the Arts Council, would also cream off most of the industrial aid. But this year, perhaps because of the economic situation, there has been a swing towards a smaller, localised sponsorship, often involving a local orchestra. For example, in the past few days Harveys of Bristol has an-

nounced that it is putting up £5,000 to underwrite concerts by the Bourneville Symphony Orchestra in Bristol and the Bradford based Leek-Wharfedale, makers of sound systems, has agreed to support concerts by the Halle Orchestra in Manchester, its home city.

**Opera**  
The growing involvement away from London has also extended to opera, which was slow to receive industrial help because of the costs involved. Scottish Mutual Assurance has given £25,000 over two years to enable the Scottish Opera Company to record some of its live productions and market the records at £1.25p each. But the most commercial cash for opera goes to the Royal Opera House, Covent Garden, which has made a conscious drive to attract industrial sponsorship.

Last week a new production of *Siegfried* was staged at Covent Garden with financial backing of £40,000 from the Commercial Union, with being distributed this year by Barings, adding £5,000. The Commercial Union also helped out on Wagner last year. National Westminster and Imperial Tobacco jointly aided a new production of Verdi's *Macbeth* in 1974 and Imperial will be supporting carry on at their London showplace, the Aldwych.

It is hard to see how the paucity of funds can be immediately made good other than by an increase in the Arts Council grant. Changes in taxation would not be enough. A relaxation of VAT might help, but companies already receive tax relief for their sponsorship of the arts if the cash comes from their advertising budget, and the alternative—no tax on straightforward cash contribu-

## Publicity

Industry would like the BBC and the IBA to be more flexible about giving publicity to companies that help the arts: the TUC would like the organisations that base their profits on servicing the arts to give more. The television companies, for example, pay an extra tax on their profits straight to the Exchequer: it could go to the arts. Film distributing companies have to make a contribution to the film production companies, but the record companies have been slow sponsors.

Mr. Lever is unlikely to open a golden seam which has been overlooked to date but if he brings together industry and the arts so that they understand the parameters within which they must operate that should achieve some progress.

After that it is up to the Government, which all told already contributes almost £80m. to the arts, and could perhaps be persuaded to make up the sum which in this inflationary year represents the difference between losing money and breaking even for so many artistic enterprises.

## Letters to the Editor

### Landlards

**Landlards**  
**Accommodated**  
The National Chairman, Association of Works Managers, I would like to say on the recommendations of the Sandilands Report. It is refreshing to see the fact that will be introduced company reports which will show the contribution of employees, both white and black, what really has been in a company. High operating profit, as I to other gains in the of the company, will help to drive home the facts of life. I agree with your editorial (over 5) wholeheartedly as a pity that the word "will" still be perpetuated related to asset value, some of which are quite new. One can only emphasise that such "gains" are notional until they are realised. This must be very important to property companies. I last 18 months and also a number of companies have gone bankrupt and left with stock on hand, or which they had used for sums far less than their value in the books. They were no longer a concern. Perhaps we should suggest that a more realistic phrase "increase in value of assets" be introduced. I am wishing for on, we would also plead for the inclusion of the value of stock on hand, or which they had used for sums far less than their value in the books. They were no longer a concern. Perhaps we should suggest that a more realistic phrase "increase in value of assets" be introduced.

importance to SSAP.7 (which the report dismisses as falling to meet four out of its five criteria for an accounting unit of measurement) is the fact that the Committee's suggested system of current cost accounting is at least a system of accounting, and not merely a superimposed technique of presentation. It recognises, furthermore, that the management of each individual company must be free to establish its own priorities, and that to the smaller company the effort and expense involved in sophisticated systems may not be justified by the supposedly higher standards of information which they produce.

It is to be regretted that in its exploration of units of measurement, bases of asset valuation and concepts of profit the Committee chose not to devote more attention to cash flow accounting, which possibly offers a more significant contribution to more effective use of accounting information than many other recent proposals. Though the Report may in many ways be welcomed as an attempt to bring about a re-appraisal of the purpose of accounts, we must not lose sight of the fact that inflation accounting must encompass deflation accounting, or that the particular accounting of historic cost accounting in times like the present detract in no way from its practical usefulness in more stable conditions: nor must we pretend that managers in general are blind to the pressures of inflation or ignorant of their effects on costing and pricing, even if they are often unable to distinguish between profitability and liquidity. Inflation accounting is not a method of dealing with inflation itself, and then may well be reason to suppose that had it been more widely adopted the rate of inflation might have been even greater.

Even if Sandilands has arrived when there are some slight indications that this rate is beginning to decline, and its impact is lessened to that extent, there can be little doubt that in the long term it will come to be recognised as a milestone in the development of accounting as a useful and practical system of measurement and evaluation.

R. H. S. Beaumont,  
40, Tyndalls Park Road,  
Clifton, Bristol.

The Government's £1bn. payment to British Rail's pension funds will no doubt be used mainly to buy stock exchange securities, existing properties and works of art. This vast sum will thus contribute very little to national economic development, or of no less importance at the present time, to the alleviation of unemployment. Surely this money could be invested to much greater national advantage in modernising British Rail's own system.

British Rail is not alone in clinging to an outdated and expensive method of financing its pension obligations. All the nationalised industries follow this policy, apparently encouraged by the Government regardless of cost. So long as they do so their shortage of capital will be self-induced to a significant degree and to that extent avoidable.

Raymond Nottage,  
Hamilton House,  
Mableton Place, W.C.1.

### Non-executive directors

From Mrs. H. Derrick.  
Sir,—It is understandable that bankers, lawyers, consultants and others who "purvey their services" should not be acceptable as non-executive directors. On the other hand, executives of other companies—and particularly chief executives—have full-time jobs already and there would always be the suspicion that firms would not be prepared to release their most able men. Surely the right thing would be for men with the right qualifications and experience to be prepared to make non-executive directorships a full-time career. I am thinking of senior members of all the professions mentioned and others who have had practical experience of running businesses. For example, some might like to lay down the law, and widen their interest by becoming non-executive directors on a variety of Boards. Accountants who have acted as receivers and management consultants with experience of rescuing ailing companies would also seem to be especially suitable. They could work either freelance, or as employees of specialist non-executive-director consultancies. The Department of Employment could well keep a register of those suitably qualified.

H. M. Derrick,  
The Change,  
Rendwick, Stroud, Glos.

### British Leyland shares

From Mr. J. Swinnerton.  
Sir,—Further to my letter to you which you published on September 13, wherein I reported my experience of having my election to accept the offer for my Leyland shares rejected because of late arrival—although posted in good time—I am pleased to report that I have now received payment together with a letter from the registrar of the company. As I stated, I wrote to Mr. Eric Varley, the Secretary of State for Industry, giving the details and as a result things "have moved" down Hamlyn House way. It is comforting to know that there is someone at Westminster who will listen to the problems of "average citizens" and take action where necessary and I would advise

### GENERAL

Government announce measures to contain rise in unemployment. Organisation of Oil Exporting Countries (OPEC) holds Ministerial conference, Vienna. Ulster Constitutional Convention reconvenes, Stormont. TUC General Council meets, London. Mr. Edward Short, Leader of House of Commons, holds devolution talks with Scottish TUC, Glasgow. Prime Minister receives group of U.S. businessmen touring British industrial areas, 10, Downing Street. Mr. Peter Shore, Secretary for Trade, returns from Far East

### To-day's Events

tour via Moscow, after talks with Soviet trade officials. Lord Bewick, Minister of State for Aerospace, begins visit to U.S. to study its aerospace industry. Mr. J. Campbell Adamson, CBI director-general, speaks at CBI annual lunch, Glasgow. Mr. Gordon Richardson, Governor, Bank of England, begins visit to Hungary. Mrs. Barbara Castle, Social Services Secretary, speaks at Community Social Work conference, Lillingdon, Hayes and Harlington

### COMPANY MEETINGS

Boardman (K. O.) International, Manchester, 12. Brady (G.), Manchester, 12. Coated Metals, Cardiff, 12.30. Courts (Furnishers), Morden, Surrey, 11. Davy International, 66, Portland Place, W., 12. Forinister, Mayfair Hotel, W., 12.15. Hoechst Trust, 25, Milk Street, E.C. 1. LRC International, Abercorn Rooms, E.C. 12. Melody Mills, Leicester, 12. Trafford Carpets, Manchester, 12. United Dominions Trust, 14, St. Mary Axe, E.C. 12.

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## COMPANY NEWS + COMMENT

## Shrinking margins hit United Newspapers

DESPITE A rise in turnover from £15.03m. to £17.05m., taxable profits of United Newspapers fell from £2.75m. to £1.82m. in the first half of 1977.

The interim dividend is lifted from 4.5p to 5p net. Last year's total was 10.6618p paid from taxable profits of £5.3m.

During the past few months, further steps have been taken to deal with the situation. The company's morning and evening newspapers have increased their cover prices and advertising rates, almost all of these changes coming into effect during the second half. There have also been recent increases of a similar nature for many of the weeklies.

United Newspapers' profits are a third lower pre-tax and that put the shares down to 20p yesterday. But the dividend total looks like going up again this year. For the six months, costs have jumped a fifth on average and advertising volume—taking in a decline of 17 per cent. in classified—is down by just over a tenth. This half-year the evening papers will have six months of a 1p (20 per cent) cover price rise and increases in advertising rates are being pushed through, so July-December profits may not fall far short of being maintained. That would imply a pre-tax total of around £4m., half of which would be enough to cover the 1975 dividend. And United still has very nearly £7m. in cash—100p a share—in its balance sheet.

Mr. R. A. Hodges, chairman, explains that the sales rise was partly due to inflation but also to an increased market share and expansion into Belgium. The disparity between the sales and profit increases reflects the rapidly rising costs that have had to be met.

Although forecasting is still difficult the chairman remains confident that assuming no further change in trading generally, continued slow but steady progress will be maintained. Earnings per 20p share are stated to be up from 3.94p to 4.16p. The interim dividend is

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group's balance sheet remains strong but there are no firm signs of a recovery in demand for switch and fusegear, which would tend to come late in the construction cycle in any case. The shares, at 155p, are in the anomalous position of yielding an uncovered 14.3 per cent. while on a p/e rating of 12.

Sparrow up 26% at midway

IN LINE with the April forecast of a further year of profitable growth, first half pre-tax figures from G. W. Sparrow and Sons, the international crane hire specialists, are up by 26 per cent. to £401,000, on a turnover 40 per cent. ahead at £2,09m.

Mr. A. W. Sparrow, chairman, says the group should improve on last year's record of £334,000. For the longer term he is confident that growth will continue.

The chairman describes the first half in many ways a difficult period with uneven results throughout the country. The group's work connected with the North Sea continues at a high level with a useful contribution towards profits.

The interim dividend is raised by the permitted maximum—from 1.85p to 1.78p net. For 1974 a total of 4.12p was paid.

comment

Combined English's interim profits are ahead by 43 per cent., margins are up at 5.9 per cent., and the shares have outperformed the stores sector by a wide margin so far this year. At 76p, the rise from the year's low has been nearly fourfold, and the prospective yield is nearly 5.5 per cent.

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Combined English's interim profits are ahead by 43 per cent., margins are up at 5.9 per cent., and the shares have outperformed the stores sector by a wide margin so far this year. At 76p, the rise from the year's low has been nearly fourfold, and the prospective yield is nearly 5.5 per cent.

Mr. R. A. Hodges, chairman, says the group should improve on last year's record of £334,000. For the longer term he is confident that growth will continue.

The chairman describes the first half in many ways a difficult period with uneven results throughout the country. The group's work connected with the North Sea continues at a high level with a useful contribution towards profits.

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## ISSUE NEWS

## Northern Foods

## £10m. rights at p

Northern Foods proposes to raise £8.8m. by a rights issue of 27,574,454 Ordinary shares at par (£1m.). The basis is one share for every two Ordinary held and 46 shares for every £100 nominal of 8 per cent. Convertible Unsecured Loan Stock 1982/87.

The circular states that while the group has sufficient resources to finance present trading it does have an extensive and continuing programme of re-equipment and modernisation and re-equipment programme. Opportunities in the food and drink sector are continually being sought and the issue will achieve a better balance in the group's capital structure. It is not intended that any of the proceeds will be used by the group's finance company, British Credit Trust.

Northern has also released results for the ten months period to July 31, which shows that pre-tax profits advanced from £3.9m. to £7.1m. including a £2.2m. increase in the contribution from British Credit. At the trading level profits were £5.8m., against £4.6m. on turnover £28m. higher at £110m.

On September 1, Northern Foods had outstanding borrowings totalling £17.2m. of which £4.7m. was secured, and in addition British Credit had outstanding external borrowings of £1.5m.

The directors expect to recommend a final dividend of 1.525p per share net, and furthermore expect to at least maintain the annual dividend of 3.2425p in respect of the year to September 30, 1976.

An EGM is being convened for October 9 to effect the necessary increase in capital and dealing are expected to start the next day. See Lex.

See Lex.

See Lex.

See Lex.



# Second half upturn lifts Bejam to £1.6m. BET action on lossmakers

PROFITS of Bejam book value of pig breeding build the frozen food and meat equipment following the decision to cease these operations, head - from £1.22m. to £1.6m. in the year ended June after being some £38,000 in 1974, 1975 in the first six months.

See Lex

## First half advance at Manders

FIRST HALF 1975 taxable profits of Manders (Holdings) advanced from £306,000 to £386,000 before tax of £495,000 against £456,000. The interim dividend is lifted from 0.66p to 0.54p net. Last year's total was 1.86p paid from taxable profits of £1.7m.

The UK point and printing ink division (including royalties from overseas companies) contributed £695,000 (£614,000) to first half profits, the overseas printing ink division £175,000 (£174,000) and the property division £116,000 (£100,000).

The directors point out that profits for the first half of 1974 were substantially increased by profits arising out of the effect on the valuation of basic stocks of large and sudden increases in raw material prices following the oil crisis. Profits for the first half of 1975, however, are not materially affected by these factors and therefore "there is a real improvement over June 1974 not shown by the figures."

Extraordinary items comprising surplus net of tax on the interest in the cold storage at Milton Keynes - £204,000 and announced £204,000 and £1 tax released as a result of transaction £517,000 net (on the sale of 30 per cent. in Aberdeen ship packers) £1,000,000, provision in investments in 1974, £150,000; and elimination of

they begin to occur," members are told.

### comment

Although Manders first-half performance may, on a strictly comparable basis, have been a good deal stronger than that of other pre-tax rise which the actual figures suggest, the group seems unlikely to produce any more significant profits growth in the second half. Demand for point and printing ink has remained steady at the £11m. level reported for 1974, and the prospect of further growth beyond 1976 should be enhanced by the first full contribution from the Mander shopping centre which is now nearing completion and is already almost fully let. At 32p the shares are yielding a prospective 10 per cent.

## Toye sees similar end result

Manufacturers of civil and military regalia, Toye and Co., Ltd., has remained steady at £1.68m. for the first half of 1975, but a drop in profits from £50,107 to £49,825 subject to tax of £30,309 against £27,335. The directors state that with an increasing emphasis on export, they expect that the loss areas will at least be at break even point by the year end and they see no reason to believe that the result for this year compared with 1974 "will not be basically maintained."

Last year taxable profits reached £224,138. The dividend was 1.25p net.

INDICATIONS so far have been that the result of British Electric Traction in the current year should be no worse than, "and indeed might show an improvement on," those for 1974-75, reports chairman Sir John Spencer Wills.

In common with the rest of industry at home, however, the group's future must depend on the outcome of Government policy to contain wage increases and reduce the rate of inflation, he stressed.

In the year ended March 31, 1975, group pre-tax profits declined from £43,520m. to £37,73m. Boulton and Paul showed a big reduction in profits, and Murphy Brothers and Humphries Holdings recovered heavy losses. In the case of the latter two companies action has been taken to rectify management shortcomings which were to a large extent the cause of the companies' losses, explains Sir John.

Due to a deep recession in the film industry there was a loss of £380,000 by Humphries Film Laboratories. There has been considerable surplus capacity in the film processing industry for the past two years and in view of this continuing situation a merger has been arranged between HFL and the successful Colour Film Services. This amalgamation - expected to be fully accomplished by the end of this year - should produce a profitable savings and afford a profitable operation.

On the manufacturing side Mole-Richardson (Stage and Studio Engineering) incurred a loss of £255,000 almost entirely in connection with a large contract for the National Theatre. At Opsec further progress had been expected but later, a serious recession in household furniture production of that company's financial position came to light and an eventual loss of £249,000 was incurred. Sir John says that such reverses in the Humphries group cannot be stemmed overnight and a further loss must be expected in the current year.

Murphy Bros - loss £2,54m. - was affected by the miners' strike and by the impact of inflation on costs. Rising labour and material costs resulted in losses on certain fixed price civil engineering contracts.

Referring to an increase in stock and work in progress - from £48.8m. to £79.4m. - the chairman explains that this is mainly attributable to Boulton and Paul where a serious recession in household furniture production of that company's financial position came to light and an eventual loss of £249,000 was incurred.

In the current year at B and P joinery sales have shown an appreciable improvement and as a result there has been a gradual reduction in timber stocks to a more normal level. Steel construction continues to do well and currently has a healthy order book.

A divisional analysis of profits shows: 1974-75 1975-76  
TV rental, relay, broadcast, 12,376 12,323  
Freight & passenger transport, 11,873 11,873  
Industrial, 4,400 4,400  
Plant hire, 4,478 4,478  
Libraries, 1,189 1,189  
Jewellery, 1,794 1,825  
Printing and publishing, 1,293 1,293  
Entertainment, 124 517  
Film and television loss, 774 1,128  
Taking these general investments at their abnormally low value at December last, net borrowings was changed to £47.7m., compared Balfour. It is not proposed to call in certificates.

## New Equity & Law bond

Equity and Law Life Assurance Society has launched its Protector Bond linked to the Government's SAYE inflation-proof contract. The investor makes a lump sum payment of £1,023 at outset, which is used to buy a temporary annuity, under which the net monthly payments are sufficient to meet the 120 monthly contributions under the SAYE contract. This enables investors to use capital in buying what is a regular savings scheme.

In the event of death of the investor during the five-year period the monthly payments would stop but the Society would pay the difference between the original investment and the total of the gross instalments already paid. However, the investor is locked into the bond once he takes it out: Equity and Law does not pay a cash-in sum on the bond.

## EDGAR ALLEN BALFOUR

Effective from September 22 the name of Edgar Allen and Co. December last, net borrowings was changed to £47.7m., compared Balfour. It is not proposed to call in certificates.

## RECENT ISSUES

Issue	Price	High	Low	Stock
1000 P.P.	177	170	165	175
1000 P.P.	108	105	102	105

## FIXED INTEREST STOCKS

Issue	Price	High	Low	Stock
1000 P.P.	177	170	165	175
1000 P.P.	108	105	102	105

## "RIGHTS" OFFERS

Issue	Price	High	Low	Stock
1000 P.P.	177	170	165	175
1000 P.P.	108	105	102	105

of the general investments at the end of August showed them to be worth £42.7m.

## Midterm rise at McBride

REPORTING A rise in first half 1975 pre-tax profits from £383,062 to £479,243, the directors of Robert McBride (Middleton) - manufacturers of domestic bleaches and detergents - say that indications are that another satisfactory year will be achieved. For the year 1974 profits reached £800,853.

First half earnings are shown to be up from 10.4p to 11.7p per 10p share and the interim dividend is lifted from 1.91p to the maximum permitted 1.94p net. Last year's total was 3.6842p.

The remaining 30 per cent. of the capital of Gretna Laboratories was acquired on April 14, 1975. The accounts of Gretna have not been consolidated as the directors feel that they would be of no real value in view of the insignificant amount involved. It is intended to consolidate Gretna's accounts at December 31, 1975. Statement, Page 33

### Room With a View

**Stonebridge Park, Wembley**  
17,120 sq.ft. or 8,560 sq.ft. per floor  
Fully fitted to high standard  
at commencing rental of £3.25 sq.ft.

**AVAILABLE AUTUMN 1976**

SOLE AGENTS  
**H. Healey & Baker**  
Established 1920 in London  
28 St. George Street, Harrow Square, London W1A 3BG 01-629 8282  
ASSOCIATED OFFICES: JERSEY, PARIS, BRUSSELS & AMSTERDAM

## Haggas hits peak £2.14m.

RECAST after the first month - when an expansion of 3.03m. to £1.68m. was a record pre-tax profit - a record pre-tax profit of £1.68m. in the second half of 1975, and this improvement could be marked. In view of this, they feel rather more optimistic than for some time.

The group continues to add to its surplus cash, and the current market value of its investments is £4m. However, the directors still do not feel the time has come to commit these funds.

Despite all the problems, they declare there is a "reasonable chance of again achieving higher profits in the current year."

## IDIOTRONIC HOLDINGS LTD

A marked improvement in trading results

Unaudited results for the six months to 28th June 1975 as follows:

	6 months 1975	6 months 1974	Year 1974
Turnover	10,270	7,148	16,510
Adding Profit	1,102	677	1,020
Less Tax	573	352	570
Profit after Tax	529	325	450

no Board has maintained the interim dividend at 1.525p at equivalent to 25% gross.

Trading results for the half year to 28th June 1975 show marked improvement over the comparative for the previous periods, confirming the prediction in the 1974 report and Accounts. These results have been substantially posted by the consumer boom, prior to the increase of VAT on 8% to 25% in April 1975. The underlying strength of the company's assets in new outlets and improved liquidity has been a major factor in enabling the Group to achieve these results.

despite the degree of reduced sales after the pre-VAT surge as expectation for the second half of the trading year is hopeful to the extent of an encouraging increase in the annual profit over that for 1974 but will be dependent on the turnover achieved.

Extracts from the Interim Statement by G. W. Smith, Chairman

## AUDIOTRONIC

## Metaltrax (Holdings) Limited

Storage and materials handling systems; reputation engineering; metal fabrications; engineering services

## Interim results

	1975	1974
6 months to June 30	£	£
Turnover	3,351,829	2,967,148
Profit	407,505	313,549
Profit after Tax	193,505	148,732

with Road, Kings Norton, Birmingham B39 9PN 021-458 6571

### IMPALA PLATINUM LIMITED

(Incorporated in the Republic of South Africa)

#### Statement by the Chairman, Mr. I. T. Greig

##### Operating Results

The results for the year ended 30th June 1975 must be viewed against the background of the world business recession. Except in Japan, where demand for platinum for jewellery continued at a high level, there was a marked reduction in world consumption of platinum and the other metals we produce, resulting in lower prices, and in February 1975, a decision to scale down mine and refinery production to a rate of 600,000 ounces of platinum per annum as against installed capacity of the order of 950,000 ounces per annum. Meantime, in spite of the recession, costs of production continued to escalate at an alarming rate, reaching approximately 28.5% during the year in question. Most metal producers throughout the world had to face similar problems during this period. We also had some special problems of our own.

On 11th November 1974, following exceptionally heavy rains, a wall of No. 1 Tailings Dam at the Bafokeng South Mine burst, resulting in the unfortunate loss of 12 lives and severe and extensive damage to surface installations at No. 4 Shaft and some damage to the shaft itself which was partially flooded with slime. The total cost of this accident in terms of repairs and restoration and loss of production was of the order of R7,000,000, of which some R6,000,000 should be recoverable from insurance. To date insurance payments totalling R3,950,000 have been received in respect of claims and the final insurance claim will be submitted in the near future.

On 16th December 1974, following a faction fight in the No. 2 hostel at the Bafokeng South Mine in which 3 Black workers were killed and 79 injured, some 3,000 Malawian workers refused to work and in due course moved out of both hostels and camped in the veld stating that they wished to be sent home. Repeated efforts were made to persuade these men to return to work and finally their contracts were ultimately terminated. They returned to work on 30th December.

In the circumstances, the results for the year can be considered satisfactory.

The group profit, before providing for taxation, was R35,884,000 as compared with R42,063,000 for the previous year. This profit was arrived at after charging R13,285,000 for net sundry expenditure including interest on loans (1974: R8,404,000). After providing for taxation and adjusting for minority interests, the profit for the year was R33,400,000. From this profit R25,272,000 was transferred to the reserve for expenditure on mining assets. Dividends declared amounted to 45 cents per share, being a reduction of 30 cents, and absorbed R5,400,000. The balance carried forward was increased to R10,333,000 from R7,324,000 last year.

##### Improvements in Productivity

I said earlier that over the past twelve months the cost of production had increased by some 28.5%. Of this increase approximately 17% was due to increases in wages payable to our Black workers and the costs of services for them (recruiting, housing, feeding, protective clothing and medical care).

During the past few years efforts have been intensified to improve the productivity of our Black labour. In part, this has been a desire to cushion the increased costs of this labour as wages continue to rise. But other and equally important considerations are improved safety and the desire to make mining more attractive to our Black workers by taking some of the hard, physical drudgery out of our working methods and, where possible, by making their work more interesting.

This has involved constant re-examination and improvements of all training methods, fresh job evaluations and, *inter alia*, the introduction of physical training classes for new entrants. The main efforts have been directed at improving stoping techniques, particularly support of workings and moving broken ore from the stope face to the centre gully scraper, since these are the most labour-intensive of the mining operations. As mentioned in the directors' report, all three mines have now embarked on a programme of mechanisation of their stopes the target being set at a reduction of 25% of Black labour employed on stoping. Preliminary indications are that a 15% reduction is already being attained in those stopes which have been mechanised.

This follows on the work done in 1972 and 1973 which resulted in the development of a 1 ton capacity Monorail car, using small running wheels on a single steel track, to move ore from the face to the gully. Earlier research resulted in the abolition of current stoping sampling and established the present system of achieving control of the grade of ore mined by controlling the stoping width. Stope face photographs are taken approximately twice per month per face by Black operators and this enables management to maintain a continuing check on the stoping width. At present large scale experiments are being carried out on a new type of timber support which will provide the conventional support and better resistance to blast than the traditional mat-pack while at the same time being easier to handle underground and less expensive.

Some of these new developments have been initiated by the consulting engineers or by Impala's head office staff, some by officials working on the mines themselves. But their successful development has inevitably been the result of the enthusiasm and

##### Future Outlook

Recently there have been signs of a somewhat firmer undertone in the market for platinum and by the end of July 1975 the producer price was partially restored, to U.S. \$170 per ounce. The market now appears to be approaching a supply/demand balance as a result of cut-backs in production, inventories having been adjusted to current levels of economic activity and the volume of recycled scrap being now more in line with current levels of consumption. There has also been some investment buying of platinum.

We have been encouraged by the recent improvement in automobile production and sales in Japan and the U.S.A. and the continued strong demand for platinum in Japan. Apart from this, however, unless the economies of the U.S.A. and Europe are firmly re-established on a growth trend it seems unlikely that in the next six months or so there will be any marked resurgence in demand for the metals we produce.

Fortunately, we no longer have the burden of very heavy ongoing capital expenditure. Capital expenditure for the current year ending 30th June 1976 is expected to be of the order of R10,000,000 as against R23,987,000 last year and R67,827,000 the year before.

##### Conclusion

In conclusion, I would like to express our appreciation for the continuing support of our customers in all parts of the world. On behalf of the Board, I should also like to thank the consulting engineers, the management and staff and all employees of the Company at the mines, at the refineries and at head office for their loyal and efficient services. The operations of our Company and the complex processes involved require a large variety of competent personnel with diverse talents. We are proud of having succeeded in building up such a team during a period of rapid expansion.

Johannesburg, 11th September 1975.

**A UNION CORPORATION GROUP COMPANY**



**S & COMPANY, LIMITED  
AND SUBSIDIARIES**



## Newman Industries doubles at midway

**STABLE PROFIT** of Newman Industries doubled from £330,000 to £660,000 in the first half of 1975 on turnover up from £9.01m to £14.1m. The interim dividend is 1.5p net, a year's double dividend of 3p was paid from profits of the directors state that the company's expansion, which has been confirmed despite the recession in the U.K., the progress made during 1974 has been maintained. They look forward to another "significant achievement."

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## Brixton Estate ahead so far

**NET RENTAL** income for the first half of 1975 at Brixton Estate advanced from £1.49m to £1.57m, and, after deducting rent and interest on developed properties of £897,000 against £933,000, and other expenses, up from £138,000 to £208,000. Investment profits before tax improved from £721,000 to £772,000.

The interim dividend is effectively raised from 1.04p to 1.17p net. Last year's total was equal to 1.35p net paid from net profits of £897,000 after tax, £215,000 and transfer from capital reserve—£338,000.

The group is making satisfactory progress and is particularly well placed to take advantage of any major upturn in the world economy, members are told.

Also, in the U.K., substantial reversions will arise over the next few years principally as a result of the major development programme carried out in the late 1960s and early 1970s.

**Brown and Jackson to improve**

Building and civil engineering contractors, Brown and Jackson, reports turnover down from £4.3m to £4m for the first half of 1975, and profits of £210,000 against £211,748 before tax of £110,000 compared with £122,000.

The directors say that the second half will show a marked improvement however and they are confident that full year profits will be in excess of the £183,377 for 1974.

First-half earnings are given as 5p against 3.49p per 20p share. The interim dividend is raised from 1.75p to 2p net. Last year's final was 2.1p.

The overall group profit to turnover ratio has been virtually maintained in spite of ever-increasing costs, members are told, but the contribution by subsidiaries has not been proportionate.

**MORRIS & BLAKEY**

Mr. Arnold Morris, chairman of Morris & Blakey, Wall Paper, states that a number of Ordinary

## Berwick Timpo headway

An expansion in pre-tax profits from £270,453 to £280,891 is reported by the directors and shareholders. Berwick Timpo for the first half of 1975 and chairman Mr. J. D. Oakley says he feels that results for the full year will prove satisfactory.

Earnings for the half-year are shown to have risen from 2.59p to 2.85p per 20p share and the interim dividend is stepped up from 0.65p to 0.65p net. It is intended to pay a second interim of 0.65p and a final of 1.13p bringing the total for the year to 2.43p against 1.51p. Treasury dividend for this increase has been obtained.

Turnover for the first six months was virtually unchanged at £2.83m. Orders received were, as expected, at a somewhat lower level, but are now increasing.

The group recently acquired a London showroom in West Herts, W4 which will increase its selling efficiency as well as providing a centre of operations for development.

As currently constituted the group comprises five companies in various parts of the country and it is now considered that it has an established centre where its product range can be shown to home and overseas buyers, states Mr. Oakley.

Mr. Oakley says that the group's turnover ratio has been virtually maintained in spite of ever-increasing costs, members are told, but the contribution by subsidiaries has not been proportionate.

**MORRIS & BLAKEY**

Mr. Arnold Morris, chairman of Morris & Blakey, Wall Paper, states that a number of Ordinary

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## Excess starts Inflation Guard

Excess Insurance Group has launched its Inflation Linked Insurance contract, following the lead given by most of the major insurance companies.

The new scheme is called the Inflation Guard and will provide cover on buildings, plant and machinery for the full value, including the cumulative effects of inflation, reversionary for adjustment following a loss.

The plan has been kept as simple as possible, both in operation and in premium calculation. There is no limit on size of cover and no rigid insistence on professional valuations. The premium is calculated by using a single rate for the inflation factor, enabling the overall premium to be set at a competitive level. The

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## Hillards sales well ahead

Sales for the first 21 weeks of the current year were 80 per cent ahead of the corresponding period last year and it was anticipated that total sales for the year would be about £50m, reported Mr. G. N. Hunter, chairman of Hillards, the supermarket group.

The annual meeting, at which a result of competitive pricing policy, the group's food prices had averaged over 9 per cent lower during 1975 than the Financial Times Grocery Price Index.

Although it was not envisaged that any large stores will be opened during the current year, the company's first freer centre could be opened shortly in Pontefract.

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## United Transport

The 1974 operating profits of the United Transport group, the great bulk of whose activities are overseas, at £11,676,000 were again a record, up from £10,631,000 in 1973, despite the steep world-wide increase in fuel costs and the onset of trade recession in many countries.

The adverse effect of exchange rate movements in 1974 reduced pre-tax profits to £11,508,000, compared with £11,826,000 in 1973 when there were substantial positive currency adjustments. Road transport activities at home and overseas contributed to the increase in operating profit, but the main growth was in passenger and freight business in Africa.

Expansion is taking place in a number of fields, including, in particular, the development of a world-wide heavy lift road transport services using the group's unique expertise and international connections; a load weighing in excess of 1,000 tons has been moved.

Integrated warehousing, transport and distribution services have been developed, particularly within the E.E.C. countries, and the network of air freight forwarding companies has been extended to provide a comprehensive international service.

Overseas the group now operates or manages over 100 companies in 20 countries in Africa, Europe, the Far East, and the South Pacific, involving the use of 2,500 buses and coaches, 1,500 cars for tourist transport, and 2,000 freight units.

With this extensive organisation, the group is well placed to take advantage of the recovery in world trade which is expected to occur before we see an improvement in the economy at home.

**Canadian Motorways**

Twelve months ago, I was able to report that Canadian Motorways had earned a record profit of £799,000 in 1973. It is pleasing to report a further increase in operating profit in 1974, to £875,000. There were also non-recurring profits from the sale of properties, amounting to £139,000.

The new depot facilities in Winnipeg and Edmonton are now in operation and enable the company to provide better services to its customers. Other improvements in Vancouver and Regina are planned and, when they have been completed, Canadian Motorways should be in the forefront as regards equipment and terminal facilities.

Trading conditions in Canada became more difficult towards the end of 1974. Canadian Motorways is, however, better equipped in human and physical resources than at any time previously and the company will give a good account of itself in 1975.

**Murphy Bros.**

Murphy Bros. suffered a loss of £2,835,000. The company's opencast coal mining operations were affected by the miners' strike early in 1974 and by the impact of inflation on costs throughout the year. Rising labour and material costs resulted in losses on certain fixed price civil engineering contracts.

The company's acquisition in 1973 of a civil engineering firm, Junk & Gruber, based in Munich, turned out to have been ill-judged. Furthermore, it was followed by a downturn in the West German economy which resulted in a drastic cut back in the placing of contracts for road construction works, on which the firm depends. For the eighteen months to end-December 1974, the German subsidiary incurred losses of £633,000, and losses have continued during the current year, the reflection of the German economy having as yet failed to benefit the company.

During the year there has been a reorganisation of the group's senior and middle management.

**Boulton & Paul**

Boulton & Paul's main operations are heavily dependent on the level of activity in the building and construction industry, particularly the private housing sector. The cut back in housebuilding experienced in the last quarter of 1973/74, continued throughout the whole of 1974/75 and, although the steel construction division had a good twelve months, the pre-tax profit of the group overall fell to £1,395,000, compared with the previous year's record profit of £5,096,000.

The results were drastically affected by a substantial increase in working capital requirements for the company's major activity, the manufacture of joinery. Boulton & Paul has to

## Printing and Publishing

In 1974, Argus Press Holdings suffered a deterioration in pre-tax profit to £335,000 from the £512,000 of 1973. This fall reflected difficulties common throughout the publishing industry, principal among which was steeply rising costs coupled with Price Code reductions.

Electrical Press did well, helped to some extent by a number of special factors, to earn a profit of £176,000, a slight improvement on its results for the previous year.

**Reclamation and Disposal**

In 1974, Reclamation and Disposal suffered a loss of £218,000, largely development expenditure by its subsidiary, Re-Chem International.

Re-Chem International commenced commercial operations at its new industrial waste treatment plants at Pontypool in South Wales, and Roughmure in Scotland, in the latter half of 1974. A third plant is under construction at Fawley, in Hampshire, to replace an existing plant in the Southampton area, but with an increased capacity and also well placed to receive petro-chemical wastes from Esso's Fawley refinery, with whom service arrangements have been made.

The 1974 profits of Reclamation and Disposal's other trading subsidiary, Biffa Holdings, which is engaged in general waste disposal and the handling of building aggregates, were affected by the three-day working week and by the recession in the building and civil engineering industry. The current year's trading is showing a marked improvement, in spite of present difficult economic conditions.

**Rediffusion Television**

The pre-tax profit of Rediffusion Television for the year ended 29th June 1974, including the whole of the profits of Thames Television for the year ended 30th June 1974, was £7,467,000. The profits of Thames Television for the year to 30th June 1974 were, due to prevailing economic conditions, appreciably less than those of its previous year. Rediffusion Television's income from the leasing of properties was also reduced following upon the sale of St. Catherine's House. These two reductions were, however, more than offset by a substantial increase in interest earned on the proceeds of sale of St. Catherine's House. The profit, after tax and minority interests, of Rediffusion Television, whose interest in Thames is marginally in excess of one-half of that company's issued capital, was £2,564,000—an increase of 18 per cent on the previous year.

The economic situation continued to have an adverse effect on the advertisement revenue of Thames Television during its year to 30th June 1975.

**Rediffusion Holdings**

The pre-tax profit of Rediffusion Holdings for the year ended 31st March 1975 was £468,000, compared with £769,000 for the previous year. The reduction in profit was due to the substantial interest charges incurred by Wembley Stadium in financing its building development programme.

Building work at Wembley continued throughout the year on the new conference centre, offices, car parks and the construction of overhead walkways leading from the Empire Stadium. The conference centre is expected to open in September 1976, and the offices should be completed and available for occupation in June 1976.

The Wembley Squash Centre, which houses fifteen squash courts, including a championship court with spectator accommodation, was opened in September 1974. The returns to date from this new operation have been encouraging.

**Plant Hire**

In 1974/75, each of the three plant hire companies, Addison Plant, Grayston and J. D. White, again achieved record results, their agree-

## Rediffusion

Rediffusion's trading profit for the year to 31st March 1975, at £33.7 million, represented an advance of £4 million on the previous year's results and was a satisfactory outcome during a period of economic recession. After increased charges for depreciation and interest, the pre-tax profit was a record £14.4 million, compared with the £13.9 million of the previous year.

The further growth in colour set business was satisfactory, having regard to the diminution in demand caused by the continuation of Government controls on hiring and hire-purchase. Since the end of the financial year, further burdens have been imposed in the form of a heavy increase in the colour licence fee and the increase in VAT on television sets and television set rentals to the "luxury" rate of 25 per cent.

Parliament has since restored the standard rate of VAT of 8 per cent for rental contracts entered into before 16th April 1975; but the 25 per cent rate continues to apply to other customers and remains a deterrent to the growth of new business.

Rediffusion, in the capital goods sector of the electronic industry, had a successful year. Sales and exports by its three constituent companies, Flight Simulation, Telecommunications and Electronic Systems, reached record levels; all the companies have full order books.

Under difficult trading conditions, Rediffusion and the other music service companies produced a good return but were unable to maintain the progress made in recent years.

Rediffusion's new television broadcasting company in Hong Kong ended the year with a greater loss than we had expected, and will show a loss for the current year.

Rediffusion's long association with Malta, where a subsidiary company was established in 1935, has come to a sad end. Last autumn Mr. Mintoff moved to implement his policy, frequently affirmed in public, to take broadcasting into public ownership.

The terms offered to Rediffusion were so derisory as to amount almost to expropriation and the company refused to accept them. Consequently, the Mintoff Government procured an alteration of the Constitution of Malta, enabling a bare majority in Parliament to lay down the basis on which compensation should be paid to a company following compulsory nationalisation. As a next step, Mr. Mintoff's General Workers' Union, on the flimsiest of pretexts, staged a sit-in strike, occupying the company's property. They were publicly supported by the Prime Minister. A few days later the Government enacted a Bill setting up an Emergency Council to operate Rediffusion's broadcasting businesses, specifically excluding shareholders and directors from any rights whatsoever. Having thus been deprived of the businesses and any effective legal remedy, the company had to make the best deal it could and it was consequently necessary to provide, in the Profit and Loss Account of the Rediffusion group, for a loss of nearly £400,000—a poor reward for 40 years' service to the Maltese people.

The licensing arrangements under which Rediffusion has enabled and assisted Burrows Manufacturing Company of South Africa to make television sets of Rediffusion design in that country, are working well. The group's subsidiary in South Africa has been active in equipping hotels and blocks of flats with cable systems for distributing radio and the forthcoming television broadcasts. The joint television set marketing operation in South Africa with Burrows has been established and is trading under the name of Telarama.

**The Future**

It is pretty well impossible at the present time to comment objectively on what the current year may hold in store for us. Indications so far have been that our results should be no worse than, and indeed might show an improvement on, those for the past year. In common with the rest of industry at home, however, our future must remain dependent on the outcome of the Government's policy, announced in July last, for containing



## Interim Statement

Chairman Murray Gordon reports

The Group has made further substantial progress. It has maintained a high level of liquidity and has the strength to take advantage of opportunities for expansion in the UK and the EEC as and when they arise.

The Board looks forward with confidence to the completion of another successful year.

The directors have declared an interim dividend for the year ending 31 January 1976 of 1.25p net (1974/75 1.1306p net) payable on 21 November 1975 to shareholders on the register on 17 October 1975. The directors intend to recommend the maximum final dividend allowed under Government regulations.

# COMBINED ENGLISH STORES GROUP LIMITED

	Half year to 16/8/75 (28 weeks)	Half year to 3/8/74 (27 weeks)	Full year to 1/2/75 (53 weeks)
Sales excluding VAT	£000 24,226	£000 17,732	£000 45,295
Profit before tax	1,425	1,002	3,505
Taxation - estimated	741	521	1,802
Profit after tax	684	481	1,703
Extraordinary items after estimated taxation relief	(19)	(116)	(494)
Appropriation:			
Transfer from hire purchase profit reserve	(45)	(56)	(120)
Dividends			
Preference	8	8	16
Ordinary	221	199	436
Balance	184	151	332
	481	214	877

Multiple specialist retailers operating over 500 shops in the U.K. and Belgium. Salisbury/Harry Fenton/Youngsters/Pomeroy Herald

## MINING NEWS

## Impala is not yet out of the wood

BY KENNETH MARSTON

THE MARKET for platinum now appears to be approaching a balance as a result of the cut-backs that have been made in production says Mr. Ian Greig, chairman of the Impala Corporation group's Impala Platinum. He adds, however, that unless the U.S. and European economies become firmly re-established it is unlikely that there will be any marked resurgence in demand for platinum in the next six months or so.

Regarding the important use for platinum in converters for the control of automobile exhaust emissions, Mr. Greig says that 1975 model cars fitted with the converters give better performance and fuel economy. As a result, Ford Motor has said that it intends to fit the units to all its models produced in the U.S. initially they were fitted to only 65 per cent. of the cars.

## Costs advance

Like other South African mines, the Impala group has been increasing wages of the black workers and this has been a major factor in the 23.5 per cent rise in working costs during the year to last June. At the same time efforts are being made to increase productivity and to improve working conditions.

So far as the outlook for the current year is concerned, it looks as though Impala's earnings should be helped by the Rand devaluation but they are still likely to be down on those of the previous year.

However, it appears possible that the dividend total may be increased from the sharply reduced 1974-75 level of 45 cents if the platinum sales picture brightens, especially in view of this year's much lower capital expenditure. A 21.56 per cent stake in Impala is held by Bishops Gate Platinum, the shares of which were 6p down at 90p yesterday.

### HARD TIMES FOR ZAMBIAN COPPER

Against the background of rising costs, low copper prices,

shortages of transport and labour, profit fell to \$10.4m. for the year ended June and the dividend is cut to 18 to 11 cents with a final of 2 cents. Production has been reduced to 60 per cent of capacity for some time following the second-half slump in the demand for zinc. Yesterday the shares were unchanged at 240p.

### AMAL TIN OF NIGERIA

At the present price of the metal monthly operating profits of Amalgamated Tin Mines of Nigeria are "currently at rather modest levels" despite the fact that the International Tin Council's export controls are not so far stopping the company from selling all its production, says Chairman, Mr. D. S. Mitchell, in the annual report. For many tin-mining concerns the present price is hardly adequate in view of ever increasing working costs, he adds. Whether a higher price will materialise in the months ahead depends on the extent to which world-wide industrial activity picks up. Mr. Mitchell concludes:

### EZ UPGRADES ORE PROSPECTS

Australia's EZ Industries has announced an upgrading of the ore potential at its Elura lead-zinc-silver prospect in New South Wales and its joint venture copper-silver project at Golden Grove in Western Australia in which Amstar, the big U.S. group, is a partner.

The prime aim at the latter is to clarify the potential of the deeper copper lode offset to the south with an upper limit at about 350 metres (1,148 feet) below surface. Assuming continuity between drills the two main lodes are estimated to have a potential of about 13.5m. tonnes averaging 3.35 per cent copper.

Other lodes, it is stated, could contribute some 2m. tonnes at a lower grade. Preliminary feasibility studies have begun. EZ is managing the venture and can earn up to a 45 per cent interest. At Elura the "resource potential" to 400 metres (1,312 feet) is put at about 18m. tonnes of 3.2 per cent lead, 8.4 per cent zinc and 150 grammes silver a tonne. The deposit extends below 500 this year. Rudbay has declined to comment on the reports which also say that the money will be used to help finance the already announced 31 per cent announced purchases of shares in Reuter.

## ROUND-UP

Australia's MID Holdings has deferred a decision to build a 105,000-tonne-a-year electrolytic zinc refinery at Townsville, Queensland after having spent some \$3m. on technical studies. The main reasons for the deferral are escalations in capital and operating costs coupled with the uncertain economic outlook.

The Anglo American Corporation lead, 8.4 per cent zinc mining is thought to be preparing studies and preliminary feasibility studies also say that the money will be used to help finance the already announced 31 per cent announced purchases of shares in Reuter.

Inspiration Copper and Chemicals International to finance his usual zinc concentrates.

Broken Hill Promoters completed the preliminary of its tin-mining venture on Tung Island in New Guinea. Further development depends on the allocation of output quota under the national Tin Agreement.

### Blyvoor is hopeful

IN THE ANNUAL report Africa's Blyvooruitzicht Gold Mining Company Limited, Chairman, Mr. A. C. Petersen, ventures the opinion that the back in the bullion price has the record 1975 profit be at most a temporary improvement. Providing that the short duration, and if so, that substantial additional will flow from uranium in 1975 onwards is justifying Petersen's view. The present level of dividend (cents for 1974-75) should be maintained for the foreseeable future, he says. The chairman admits, however, that the impact on proposed five-day working costs and labour cannot yet be accurately forecast. Looking further ahead he says that as mining spreads to a lower limit, the grade must be expected. That for 1976-77 is estimated at 18 tonnes against 14.5 tonnes last year with about an 8 per cent fall in each of the following years.

Another important factor in Blyvoor's distribution is the continued heavy capital expenditure put at R12.5m. current year and much more for 1976-77. But B is halved for the following year, reduced to a minimal level. Yesterday's slump 60p to 63p in the general market trend.

### Aluminium output drop

INTERNATIONAL Aluminium Institute members produced 791,000 of primary aluminium in August 1975, against 798,000 in July and 925,000 in August 1974. The Institute covers many aluminium producing countries except for eastern Europe, Yugoslavia, the U.S. and China.

Total IPAI production first eight months of 1975, 6,554,000 tonnes, against 6,554,000 tonnes for the same period in 1974.

## Blyvooruitzicht Gold Mining Company, Limited

(Incorporated in the Republic of South Africa)

The following is from the Statement by the Chairman, Mr. A. C. Petersen.

During most of the year under review, underground production was adversely affected by a shortage of Black labour. The average underground strength dropped from 9,030 in the previous year to 7,618, a decrease of 1,412 Black employees. Nevertheless, the mine increased its milled tonnage slightly from 1,878,000 in 1974 to 1,908,000 in 1975. This increase was assisted by a reduction in waste sorted from 236,000 tons in the previous year to 117,000 in the year under review. Included for the first time were the washings from the newly erected waste washing plant at No. 2 shaft. Approximately 100 kilograms of gold were recovered from 32,000 tons treated at this plant.

The yield at 14.40 grams per ton, decreased by 12 per cent when compared with the previous year's yield of 16.24 kilograms. However, a 25 per cent rise in the average price received for gold resulted in an increase in the gold working profit from R64.1 million to R67.1 million despite a 19 per cent rise in working expenditure per ton milled. The average price of gold received by the company during the financial year was as follows:

	Approximate R per kg	\$ per oz.
1st Quarter	2,956	128
2nd Quarter	4,226	184
3rd Quarter	3,635	159
4th Quarter	3,635	158
Weighted average for full year	3,604	157

Working expenditure rose by R2.66 to R16.71 per ton milled during the year under review. Of this increase in overall costs of 19 per cent, Black labour costs accounted for 59 per cent, White labour costs for 9 per cent and stores, materials and other costs for 32 per cent. The increase in stores, materials and other costs of 13 per cent over the previous year is probably a measure of the general rate of inflation, while the very large increase in Black labour costs was the result of the concerted effort of the industry to bring Black wages to a realistic level and to attract more local labour to the mines.

## Uranium

Uranium contributed a profit of R635,000 compared with R888,000 for the previous year. Profit from this source will be very small during the coming year as the bulk of the mine's production will be utilised in repaying uranium borrowed in the past. The demand for uranium has increased and prices have improved significantly over the last year. These developments are undoubtedly due to the world energy crisis and the resulting uncertainty about future fuel supplies. Advantage was taken of this situation to negotiate moderate price increases in respect of the major proportion of BLYVOORUITZICHT's uranium contracts. These price increases will ensure that the respective contracts will all be profitable. In view of the favourable market developments a decision has been made to increase BLYVOORUITZICHT's uranium production capacity. The additional uranium will be derived from the treatment of previously untreated gold plant tailings from the Nos. 1 and 6 slimes dams.

## Income statement

Total working profit rose by R3,075,000 to R67,138,000 which, together with other income (net), brought the total profit before taxation to R70,462,000. Taxation and State's share of profits increased by 3 per cent, or a profit after tax of R30,854,000, which was R3,252,000 higher than the previous year. An amount of R3,000 was added in respect of forfeited dividends making a total amount of R30,857,000 available for appropriation. Net expenditure on mining assets (including increase in stores and materials balance)

absorbed R3,815,000 and dividends of cents (1974: 90 cents) absorbed a further R24,000,000, leaving a retained profit for year of R3,042,000.

## Capital expenditure

In order to enable the company to ret its share of Black labour and particularly those skilled men who have worked on company's mine for many years, it is essential that the accommodation and recreational facilities on the mine should be improved and should bear comparison with the new standards being accepted by the industry as a whole, even though the mine has only a medium life. An amount of R4,540,000 will therefore be spent during the current year on a hostel complex for senior Black employees and a further R300,000 on improvements to Nos. 1 and 6 hostels.

The total capital expenditure during the current year is estimated at R12.8 million.

## Ore reserves

The ore reserves at the year-end were estimated on a pay limit based on a price of R3.498 per kilogram (approximately \$152 per ounce). The available ore reserves were at 3,884,000 tons, 615,000 tons lower than the previous year with a slightly higher value and a slightly lower uranium value. The area towards the North West corner of the mine will tend to move in and ore reserves over the years, depending upon the relationship between the price of gold and the cost of production.

## General

The high grade section on the eastern side of the mine will be worked out in the near future. In order to balance the production over the remaining life of the mine, more emphasis will be placed on mining in the lower grade western area. It is estimated that the recovery grade will be approximately 13.40 grams per ton in 1975/76 and 1976/77 and will thereafter fall at a rate of about following three years.

## Outlook for the future

Capital expenditure in the financial year ending 30th June 1977 is expected to be about the same but should be halved in the following year and reduced to minimum amounts thereafter. It is not believed that the recent decision of the International Monetary Fund to abandon the official price of gold can have a long term detrimental effect on its price. At most a temporary setback in the price of gold may occur due to the Fund's decision to sell one-sixth of its present gold holdings. If this decline is of short duration and if, as is believed, substantial additional revenue flows from uranium sales from 1978 onwards, the present level of dividends should be maintained for the foreseeable future. The full impact on production, working costs and labour of a five-day working week cannot yet be accurately forecast as finalisation and details of mine operations must await settlement with the Council of Mining Unions and the various staff associations. Investigations are being made into providing facilities to enable Black employees to derive maximum benefit from the increased leisure time over working ends which will flow from a five-day working week.

The thirty-eighth Annual General Meeting of Blyvooruitzicht Gold Mining Company, Limited will be held in Johannesburg on 24th October, 1975.

Copies of the Annual Report and Accounts can be obtained from the office of the London Secretaries, Charter Consolidated Limited, 40 Holborn Viaduct, London, EC1P 1AJ or from the Share Transfer Office of the London Secretaries, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.



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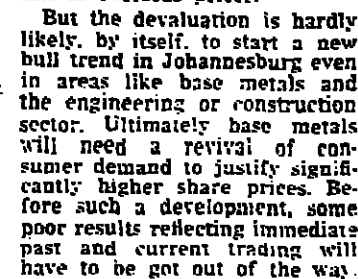


## After the devaluation

OSLO, Sept. 28

as a result of the parity change. The Blocked Rand Discount, historically low in recent weeks at a mid price around 7.50 percent, has narrowed further since the devaluation. Thus on Friday blocked rands were \$US1.30 against the official rate of R1: \$1.40, and are now 112C

But the devaluation is hardly likely, by itself, to start a new bull trend in Johannesburg even in areas like base metals and the engineering or construction sector. Ultimately base metals will need a revival of consumer demand to justify significant higher sales prices. Before such a development, the poor results reflecting immediate past and current trading will have to be got out of the way.



Even then it must be doubtful whether dividends declared in 1981 will rise by enough to compensate overseas shareholders. De Beers, for example, which paid 25c per share last year, would have to raise its payment to 30c to compensate non-South African shareholders for devaluation, a move which would cost R18m. De Beers might conceivably be able to afford a rise in this situation, but there will be many companies which will not. So until the gold price is stabilised and the full extent of anti-inflation measures is known, there is no really sound basis for buying Johannesburg shares ex-

## Ciba-Geigy expects worse results

ZURICH, Sept. 23.

able fall in 1976. However, certain new priorities have been placed in the overall programme and individual projects, including administrative buildings, were being postponed. Ciba-Geigy, he added, intends to adhere to the principle of financing investment from earnings, though "investment peaks" might be increasingly financed as an interim measure with borrowed funds.

With regard to future growth,

## Wessens urged to take over RSV yards

he said that Ciba-Geigy was already a highly diversified chemical and pharmaceutical concern and did not intend to enter into new fields of activity in the foreseeable future. The spectrum was, however, to be broadened in various sectors in which the concern was currently active.

## Skandinaviska Enskilda lifts earnings 9%

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(STATOIL)  
  
WAY  
WEO A/S  
WOREK A/S  
WEDGE A/S  
WED A/S

## AC seeks conversion commercial bank

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ON PARISIENNE  
BRANCH)  
K LUXEMBOURG (S.A.)  
ANK OF HOUSTON  
N DALLAS  
ANK  
Y (LONDON BRANCH)  
VER TRUST COMPANY  
UST COMPANY  
ONAL BANK  
ANGUE S.A.  
K  
ANK  
A.

SELECTED EURODOLLAR BOND PRICES					
MID-DAY INDICATIONS					
	Bid	Offer		Bid	Offer
STRAIGHTS					
Amex Aile 1989	97	98	American Express Aile '87	73	76
Ashland Inc 1987	534	543	Ashland Inc 1988	73	77
Auerbach's Inc 1987	569	573	Bestrice Foods 4 1/2% 1992	769	783
Avco Corp 1989	573	584	Bestrice Foods 4 1/2% 1992	769	783
Barnhart Inc 1987	541	549	Borden Sec 1992	52	53
Cardinal Corp 1987	55	54	Broadway Hale Aile 1987	643	653
Cantor Inc 1987	619	635	Canon Camera 7 1/2% 1993	75	80
Conoco Inc 1989	79	80	Chrysler 4 1/2% 1987	72	73
Cummins Inc 1987	65	67	Chevron Sec 1958	94	96
DIA Bldg 1985	801	808	Dart Aile 1987	77	79
Eaco Sec 1989 Nov.	891	945	Easman Kodak 4 1/2% 1987	187	198
Eastman Corp 1989	94	95	Eastman Kodak 4 1/2% 1987	187	198
General Motors Bdc 1989	94	94	Edel 7 1/2% 1989	71	78
GTE Bldg 1988	95	100	Ford Corp 1984	60	62
ITT Inc 1982	70	73	General Electric 1987	65	78
ITT Inc 1987	70	73	ITT 4 1/2% 1987	100	105
Pacific Light Aile 1989	80	81	General Electric Aile 1987	82	84
Prov. of Quebec Bldg 1988	81	82	Gillette 4 1/2% 1987	70	73
Quincy Ind 1987	57	58	Goodyear 4 1/2% 1987	70	73
Quincy Ind 1987	57	58	Hilltophaus 4 1/2% 1987	121	123
Shell Int'l 1988	923	942	Harris Sec 1992	84	86
Shell Int'l 1988	923	942	Hirsch Aile	85	86
Standard Oil 1987	85	86	ITT 4 1/2% 1987	71	71
Tenneco 7 1/2% 1987	88	89	ITT 4 1/2% 1987	67	69
Tenneco Sec 1986	82	83	Komatsu 7 1/2% 1987	101	103
TRW Bldg 1989	935	939	McCormick 4 1/2% 87	138	138
TRW Bldg 1989	935	939	Minoli Aile 1987	122	125
Volvo Bldg 1983	871	881	J. P. Morgan 4 1/2% 1987	195	104
ROTATES					
Air France Bldg 1982	98	100	Motorola Aile 1987	114	118
Australia, Indl. 10 1/2% 1981	101	102	J. C. Penney 4 1/2% 1987	74	78
Avco Corp 1989	94	95	Pioneer Aile 1989	145	150
Avco Corp 1989	94	95	Rockwell Int'l 1986	99	100
C. N. 1 1/2% 1982	1019	1019	Ryan 4 1/2% 1987	82	84
Du Pont 7 1/2% 1979	965	969	Revlon 7 1/2% 1987	923	918
Eastman Kodak 4 1/2% 1987	187	188	Savere 7 1/2% 1987	92	92
General Motors Bdc 1989	101	101	Schering Aile 1987	78	78
Marathon Bldg 1985	99	100	Toshiba 6 1/2% 1986	99	101
Nippon Paper 1 1/2% 1981	1804	1811	Union Carbide 4 1/2% 1987	102	103
Nippon Paper 1 1/2% 1981	1804	1811	Union Carbide 4 1/2% 1987	102	103
Tenneco Bldg 1989	943	947	Warner Lambert Aile 1988	79	73
Tenyo Camera 4 1/2% 1981	1013	1013	Xerox Sec 1987	80	81
SPREADS					
Amex Aile 1989	97	98	Amex Aile 1989	97	98
Ashland Inc 1987	534	543	Ashland Inc 1988	73	77
Auerbach's Inc 1987	569	573	Bestrice Foods 4 1/2% 1992	769	783
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Volvo Bldg 1983	871	881	J. P. Morgan 4 1/2% 1987	195	104







## FINANCIAL TIMES REPORT

Wednesday September 24 1975

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## DOMINICAN REPUBLIC

The Dominican economy has been expanding fast, helped by new export lines such as ferro-nickel and precious metals and windfall profits from sugar sales. Nevertheless the majority of the population have seen little change in their way of life and hunger and unemployment are chronic.

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ad

prosperity

OF that small but distinguished group of people who have made the Dominican Republic a home with the impressive having visited a land of

are indeed a thousand to entrance the visitor, cans as a race are the most friendly, us and dignified people Caribbean. This is a fact s amply reflected in the y treat their guests and makes a stay in their the Hispaniola in Santo to itself, say, or many n the Republic, a delight.

the encouragement of nt Joaquin Balaguer. poetry has often taken capital as its subject, Domingo. has been d with love and care. rst surviving European ent in the Western here, the old town is full w resplendent colonial is including the early

16th century cathedral with the tomb of Columbus. Santo Domingo must be counted one of the wonders of America.

The history of the city has a particular interest for English people for in 1835 it held out against the expeditionary force sent by Oliver Cromwell which finally ended up seizing Jamaica for Britain.

The countryside is lush and beautiful, the excellent beaches are often deserted, and the whole country is made reasonably accessible by a good road network. The climate is such as Londoners and New Yorkers dream of. Nor are modern conveniences lacking. Airline services are good and telephoning London from Santo Domingo takes a fraction of the time needed to complete the operation in the reverse direction.

The new cultural centre should soon be attracting performing artists from the U.S. and Europe while in the persons of Guille Pérez, Fernando Peña Deñillo and others the Dominican Republic is producing some notable painters. With such assets the country cannot fail to attract an increasing number of visitors to its shores.

Sadly, however, the visitor's Dominican Republic is not the real Dominican Republic. It would not be too much to say that behind the attractive face Domingo. has been a society which, as far as the majority of its members is concerned, does not work.

It is true that the in- dices most quoted to indicate

the growth of the economy and its soundness are almost all very positive. Over the past five years the GDP has risen by an annual average of 10.6 per cent. It rose 8.9 per cent last year and the construction industry grew at the rate of 12.6 per cent. Better than many poor countries without their own domestic oil supplies, the Dominican Republic was able to weather the difficulties caused by the big rise in the world oil price. The country obtained some windfall profits from its sugar sales and the range of the commodities it is offering on the world market is steadily diversifying. This year the Dominican Republic has started its first exports of silver and gold and, according to Sr. Diógenes Fernández, President of the Central Bank, shipments of gold next year should total \$50,000 ozs. and of silver 11m. ozs.

## Precarious

But despite this growth the benefits of an expanding economy have been retained in the hands of a small group of people. The lot of much of the rest of the population is precarious. The principal headline on Monday of last week in El Caribe, the strongly Establishment daily of Santo Domingo, was "Half Dominicans estimated to be going hungry."

There followed a report on a seminar held in the Autonomous University of Santo Domingo in which it was shown that nearly half the population of

the country consumed only half the calories and proteins it needed and that more than half all Dominicans were dangerously undernourished.

The facts arrived at by Dominican experts are amply backed up in a detailed study by a U.S. Government health mission which was published earlier this year. The situation of hunger, it remarked, made it "hardly surprising that the death rate among Dominican pre-school children is 17 times higher than that of children of the same age group in the United States" and it added, "children are often so small that it is difficult to guess accurately their age."

The problem of hunger is bound up with that of unemployment. According to the Secretariat of the Dominican Presidency, as quoted in another exhaustive foreign study of the economy, "unemployment and underemployment expressed as units of unemployment is estimated at 40 per cent of the active labour force."

This year hunger and unemployment have been made much worse by drought conditions which have not only shrivelled crops but also deprived the Republic of the energy it was counting on from its hydroelectric installations.

But the drought, as Dominican research and the inquiries of the International Labour Organisation's World Employment Programme show, has not been the main cause of these twin evils which have deeper and more chronic causes rooted

in the social structure of the country.

To accompany the chronic hunger and chronic unemployment there has more recently been an upsurge in a number of anti-social activities. By declaring as he did recently that corruption stopped "at the door of my office" President Balaguer implicitly confirmed the impression abroad in the country that there has been a growing tide of bribery and corruption at the higher levels of society involving even well known figures within the administration. It must be emphasised that Dr. Balaguer lives modestly and without the showy luxury of Generalissimo Rafael Leonidas

Trujillo, the Dominican dictator whom he served for so many years till his assassination in 1960, but at the same time he has taken no action which would reassure those who suspect misuse of government funds. Rightly or wrongly the impression is rife that corruption is a part of the political system and serves to enrich and soothe those who might otherwise be political embarrassments.

Equally pervasive is the impression that the Dominican Republic has become something of a home for the U.S. Mafia. Allegations of its excursions into gambling rackets, hotel keeping and the narcotics trade are difficult to substantiate, but the frequent business visits to the Republic of well-known figures with connections with the U.S. underworld are proven facts.

But the state of Dominican society to-day must be of more

than local interest. It must colour any discussion of Latin American politics and in particular of any appraisal of the relations of the U.S. with its immediate neighbours.

The accession to power of Dr. Balaguer, his continuance in office since then and the current state of the Republic are closely linked with the U.S. intervention in 1965. In that year Washington, fearful of the recentist aspirations of a group of officers and civilians who were seeking to put back into power President Juan Bosch, the legitimately elected leader of the country who had been turned out of office by a coup in 1963, sent the Marines in. The constitutionalist movement was crushed, effective democracy snuffed out and Dr. Balaguer eventually installed.

## Wholehearted

In his study of recent Dominican-U.S. relations Professor Frank Moya of the Madre y Maestra Catholic University underlines the wholehearted way in which Dr. Balaguer was supported by Washington from the moment of his accession. "When Joaquin Balaguer became president in June 1966," he writes, "the Dominican Government was totally dominated by some 400 American consultants who were working in all levels of public administration. The military was practically under the control of an American mission of 65 men; the Ministry of Agriculture had to work under the presence of

some 45 American technicians; the National Police and other security agencies of the State were advised by about 15 American experts in question of public security."

Professor Moya goes on to estimate that between 1965 and 1973 the U.S. poured a total of \$344m. into a country whose population did not top 4m. until 1970. During the 1966-70 period he suggests that 32 per cent of revenues were derived from U.S. economic aid and the U.S. sugar quota. To this direct aid must be added the \$1bn. of private foreign capital, the bulk of it from North America, which went into the economy between 1966 and 1971.

The relative lack of success that Dr. Balaguer has had in creating a healthy society during his past nine years in office must, because of the close co-operation he has enjoyed with Washington, also, call into question the effectiveness of U.S. policy in the Dominican Republic over the past decade.

While it is true that the Republic presents no direct threat to U.S. interests such as President Lyndon Johnson feared it might when he ordered the 1965 invasion, the spectacle of a half starving, half unemployed Dominican Republic ten years after the event is the poorest advertisement for the policies followed by successive U.S. administrations and Dr. Balaguer acting together.

Nor does it seem that the new joint strategy for development being worked out by Washington and Dr. Balaguer will bring

## BASIC STATISTICS

Area	18,704 sq. miles
Population	4.78m.
GNP (1974)	2,970m. pesos
TRADE 1974	
Imports (f.o.b.)	673m. pesos
Exports (f.o.b.)	637m. pesos
Imports from U.K.	\$6.4m.
Exports to U.K.	\$10.6m.

Currency: Pesos (U.S.)  
£1 = 2.28 pesos

any rapid betterment of conditions. The drive towards rapid adoption of birth control in the Republic (it is being planned to increase the 94 birth control clinics now operating to 181 by the beginning of next year) is, on the admission of the strategists who planned it, not guaranteed to produce significant results.

In the opinion of many it is high time for Washington to suggest and a Dominican government to introduce new policies like genuine land reform and effective taxation which would modify the present structure of society for the benefit of the majority and help to ensure that so many Dominicans do not spend their time in hunger and idleness. It would also be good for legitimate business.

Hugh O'Shaughnessy  
Latin America Correspondent

## "A new era for an old island."

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FIELDING'S GUIDE

"The place everyone is talking about..."

VOGUE

"The finest golf resort in the world: Casa de Campo."

GOLF MAGAZINE

"It's fantastic. The most beautiful tennis resort anywhere in the world."

CHICAGO TRIBUNE

"Food and service are superb."

SATURDAY REVIEW



## Costasur Resorts

Hotel Romana. 77 rooms. Near the sugar mill; 1½ hours from Santo Domingo by car. Overlooks ocean and landscaped gardens. Pool, tennis, beach, fishing, sailing, riding and golf. Meetings for up to 120.

Casa de Campo. On the Southeast coast. Possibly the best resort in the Caribbean. Ocean and golf views from 172 spacious, air-conditioned rooms and villas. Pool, saunas, tennis, beach, fishing, sailing, riding. Home of Pete Dye's famous seaside golf course. Board meetings only.

## Santo Domingo

Hotel Hispaniola. 165 rooms. Near downtown Santo Domingo. Overlooking the Caribbean. Pool, discotheque. One of Santo Domingo's best hotel bargains. Meetings for up to 450.

Hotel Santo Domingo. 220 rooms. Overlooking the Caribbean near downtown Santo Domingo. Shopping arcade. Tennis, saunas, pool. New hotel in charming old world setting. Meetings for up to 400.

Site of the 16th Annual Governors' Assembly, Inter-American Development Bank, May, 1975.



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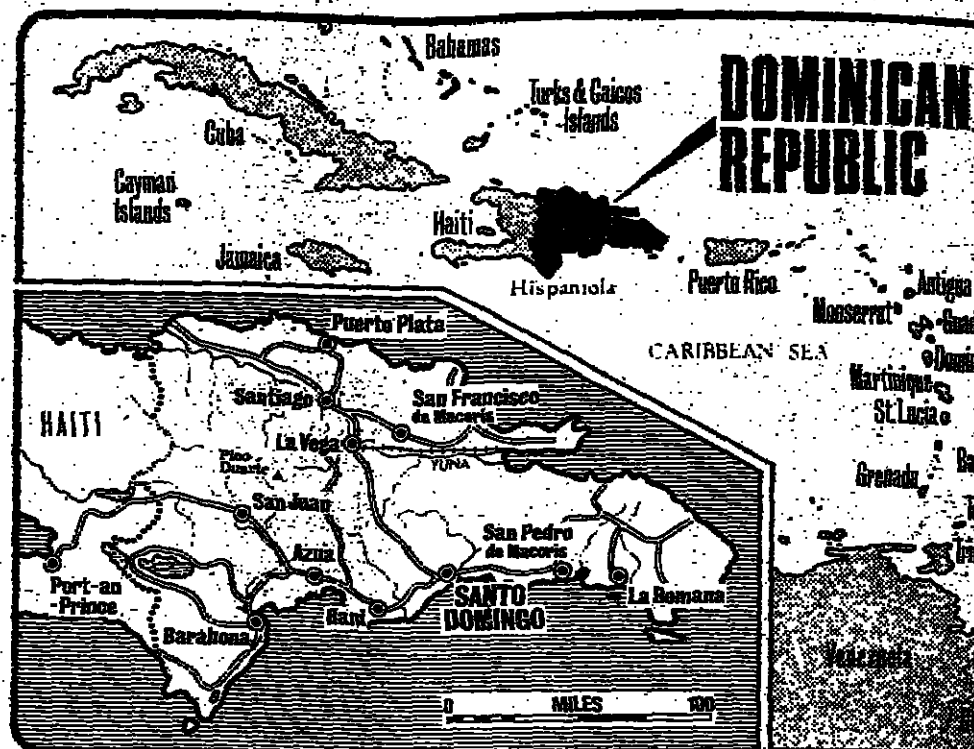
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## Artificial aids to the economy

By dint of massive aid and investment the U.S. has restarted the growth of the economy which it halted during the 1965 invasion. One billion dollars of private investment and \$350m. of direct transfers to the Balaguer Government from Washington have caused the Republic to expand fast. Over the past five years the GDP has increased on average 10.6 per cent. a year and last year the rate was a very acceptable 8.8 per cent. A building boom and continued demand from the government for public works pushed up the growth of the construction industry in 1974 to 12.6 per cent, though agriculture barely kept ahead of the growth of the population, managing to expand by no more than 3.3 per cent.

Despite a fast growth rate for industry and mining the Dominican Republic is very predominantly a rural agricultural economy with slightly over half the population living on the land which provides about three quarters of exports.



### Export

The agricultural sector is highly export oriented so that last year nearly 20 per cent. of its import bill went on food imports. Despite some official attempts to get farmers growing the staple foods Dominicans eat, the pull of the export markets has been strong at a time when international food prices, and in particular the international sugar price, have been high.

Last year 1.3m. short tons of sugar were produced, more than twice as much as was harvested in the invasion year of 1965 and the sugar could have been sold on the U.S. market for nearly 30 cents per pound c.i.f. New York, four times the price of 1966 on the U.S. market and more than 15 times the 1966 world price.

It has therefore been the case that anyone who could grow sugar latterly has been growing it. High prices for meat have also induced many land owners unable to grow sugar cane to take to cattle and pigs. Rosario gold and silver production which have grown nearly 30 per cent. in value since the end of the 1960s, much of it is, than the rest of claims to be doing better than expected in its production of precious metals so the Republic is likely to take its place behind the U.S. as a gold export league is mining. In 1967 the Dominican Republic exported \$12.3m. worth of bauxite from the Aicoa operation in the south-west of the country and that provided 8.2 per cent. of commodity exports. Last year \$17.7m. worth of bauxite was exported but it provided only 2.8 per cent. of commodity export revenue having long since been over-

## Ambitious plans for tourism

A COUNTRY that in the past 15 years has known a brutal dictatorship, a presidential assassination, a military coup d'état, a four-month civil war, a 15-month U.S. military occupation and sporadic left-wing guerilla activity hardly springs to mind as the ideal spot for a quiet holiday in the sun.

But despite the unnecessary display of heavily-armed soldiers and police on the streets of Santo Domingo, the Republic is hoping that its past decade of relative stability and its extensive natural resources will soon win it a share of the lucrative Caribbean tourist market.

The thinking behind the decision to give priority to tourism in the country's general development strategy is sound: the country has a rather shaky international reputation which could be amended by playing good host to foreign visitors and by clever promotion; tourists can make a significant contribution to the country's balance of payments; awareness of the Dominican Republic through tourism may attract the attention of foreign investors; and the labour-intensive tourist industry can help, both directly and through its multiplier effect on services, to reduce the country's chronic problem of unemployment.

The Dominican Republic, which shares the island of Hispaniola with Haiti, does have considerable tourist potential, although so far it possesses little in the way of tourist facilities. Perhaps the main point is that it is one hour's flying time from Miami and only three hours from New York. In other words, it is within easy striking distance of the U.S. eastern seaboard and it is already well connected by air. Lake Enriquillo, which lies below sea-level and is inhabited by crocodiles, can be reached by boat. Going north, Santiago, the second largest city in the country, is two hours' driving time away, while the resort of Puerto Plata is just one hour further. To the east, the beach resort of Boca Chica is one hour away and La Romana another hour beyond that.

The city of Santo Domingo also has its attractions. Thanks to the efforts of a small group of architects and the support of President Balaguer, an ambitious programme has been under way to restore the houses and streets of the city that were familiar to such colonial adven-

turers as Columbus, Cortes, Pizarro, Balboa, Alvarado and Fray Bartolome de las Casas. Much still has to be done, but the transformation is already apparent. The ghosts of the conquistadores have yet to reappear, but the prostitutes and the vagabonds have been evicted.

At Boca Chica, conveniently close to the international airport east of Santo Domingo, one of the Government's tourist development projects will aim to serve weekend visitors from the capital as well as foreign tourists. This project is still under study, although the Inter-American Development Bank has expressed willingness to lend \$15.5m. towards the \$22m. final cost of the resort. A number of houses will be demolished in what is now a sleepy fishing village in order to make way for large first-class hotels.

The initial plan is for the Government to launch tourist projects in three areas, while other regions will be developed privately or left to a second stage of the programme. In Santo Domingo itself, the Government has been promoting the construction of new hotels, and several are being completed this year.

### Small

The Dominican Republic is of course small enough for most of the country to be within reach of Santo Domingo. Going west, San Cristobal, the birthplace of General Rafael Leonidas Trujillo, is just 30 minutes' further along the same highway. Lake Enriquillo, which lies below sea-level and is inhabited by crocodiles, can be reached by boat. Going north, Santiago, the second largest city in the country, is two hours' driving time away, while the resort of Puerto Plata is just one hour further. To the east, the beach resort of Boca Chica is one hour away and La Romana another hour beyond that.

The city of Santo Domingo also has its attractions. Thanks to the efforts of a small group of architects and the support of President Balaguer, an ambitious programme has been under way to restore the houses and streets of the city that were familiar to such colonial adven-

### Earnings

The total foreign debt has been kept to a level which has been the envy of many Latin American countries. Last available statistics I debt go back to 1973 and a total of \$307.8m.

The proportion of Don foreign earnings from goods services needed to service debt is extraordinarily less than 3 per cent. in 11. The cautiousness of Government about continuing too much foreign debt is cautiousness much aid U.S. disposition to give quantities of money free authorities have been par by a parsimonious central government ex- tures. For the past 15, the central government has a current account surplus every year but two. Last for instance current rev- came to \$473.6m. and ex- penditures \$254.7m., a tion which allowed the au- ties to finance the greater of their \$245.5m. capita penditures out of the surp-

Hugh O'Shaughn

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# Sugar boom lingers on

**D** SUGAR prices may have dropped, but the sugar boom in the Dominican Republic is far from over. The country's harvest was sold at a year's high price, and the country entered the market at the right time.

As is so often the case with sugar, the Republic's production has varied wildly over the past 15 years. In 1960, for example, output reached 1.22m. tons, but fell to 642,514 tons in 1965 and climbed again to 1.17m. tonnes in 1970.

Last year it topped 1.31m. tonnes and this year it may not exceed 1.2m. tonnes. Combined with price changes, this has meant chronic instability for the country's trade figures, which have swung between red and black depending on sugar export levels and prices. Nevertheless, sugar has rarely accounted for less than 50 per cent. of the country's foreign exchange earnings.

Of the 16 mills operating to-day, 12 that became the

property of General Trujillo during his dictatorship are now owned by the Government and run by the State Sugar Council (CEA). Three mills owned by the Vicini family survived the Trujillo take-over and are still run independently, while the La Romana mill was bought from the South Puerto Rico Sugar Company by the U.S. conglomerate, Gulf and Western, in 1967, and is the only mill in foreign hands. All the mills own cane-fields,

although some 8,000 independent farmers also sell their cane to the mills.

Of last year's output of 1.3m. tonnes, 65 per cent.—846,700 tonnes—came from the CEA's mills, 25.2 per cent. from La Romana and 8.8 per cent. from the Vicini mills. Assisted by the National Sugar Institute (Inazucar), which is in charge of marketing the product, the CEA is therefore in a strong position to dominate the industry. The Government mills, on the other hand, suffer from higher costs and less efficiency than the private mills, particularly La Romana. For example, while La Romana has invested heavily in increasing yields per acre and installing new mills and generating equipment, the CEA mills are using machinery which in some cases dates back half a century. In addition, trains take the cane to La Romana, while everything from carts to donkeys carry it to the CEA mills. The Vicini family is also now experimenting with Australian mechanical cane-cutting machinery.

Through a recent agreement between the CEA and Gulf and Western, however, the Government is trying to tap some of the modern technology being imported by the private firms by establishing a mixed venture to produce all the spare parts needed by the sugar mills, thus saving not only foreign exchange but also time often wasted while waiting for spare parts to arrive from abroad.

The areas under cane have increased steadily over the past few years, although they still do not exceed 10 per cent. of all cultivable land. This year, for example, the cane plantations increased by 30 per cent. to over 250,000 hectares and this would have been reflected in a sharp

rise in output had drought not intervened.

To achieve the medium-term objective of increasing production to 2m. tons per annum by 1980, plantations must probably expand by a further 100,000 hectares. But one serious obstacle is the shortage of cane-cutters. Despite the high level of urban and rural unemployment, Dominicans regard cane-cutting as the work of slaves and thus below the dignity of independent citizens. It is a hard job and the conditions under which cane-cutters work and live are often grim.

## Peasants

As a result, since the turn of the century the tradition has been to import poor peasants from neighbouring Haiti, which shares the island of Hispaniola with the Republic, to cut the harvest. Officially, between 10,000 and 15,000 are allowed into the country each year for the six or seven-month harvest, and officially too, they are meant to return at the end of the season. But in practice many Haitians enter illegally or stay on illegally because no matter how bad the conditions in the sugar plantations, they can earn more money in the Republic in one year than they could in five years at home.

Consequently, despite memories of the massacre of between 10,000 and 20,000 Haitians on orders from General Trujillo in 1937, the Haitians keep coming and the Haitian population keeps growing. Most Dominicans who are pure blacks are of Haitian descent, although they invariably integrate into the Republic within a generation.

The reluctance of Dominicans to work in the cane-fields is therefore creating a serious long-term social problem for the Dominican Government. With the Dominican economy growing rapidly while the Haitian economy stagnates and rural poverty grows, Haitian migration to the east is bound to increase. And if the Dominican Government wishes to increase sugar production, it is also bound to allow more Haitian cane-cutters to enter the country.

In order to limit Haitian migration and cut into the country's unemployment figures, the Government has therefore launched a programme to improve conditions for cane-cutters and thus encourage Dominicans to work in the plantations. The tax system should stimulate this, since when the world price of sugar is over 20 cents per pound, 50 per cent. of profits have to be spent on investment in the industry and improvement of conditions for the workers. As the main employer of Haitians, this is principally the problem of the CEA, which has also initiated its own propaganda to convince Dominicans that it is not shameful to be a cane-cutter. Complementing the plans to increase sugar production to an optimum of 2m. tonnes p.a., the government is also now turning to industrialising the product domestically. "We sell sugar and cocoa to the U.S. and buy their chocolate," one Inazucar official told me, "and that's pretty ridiculous." At present only sugar, molasses and bagasse are being extracted from the cane, although Gulf and Western has its own furfural plant at La Romana.

For sugar producers, particularly those in the Western Hemisphere, the sales out-

## Mining operations

**DOMINICAN** Republic is exploiting as an important mineral resource despite the Government's lack of interest in the sector. The regime's apparent reluctance has enabled foreign companies to invest in the sector, but the stringent conditions imposed on parts of Latin America has also meant that the country is failing to benefit fully from the exploitation of its non-fuel resources.

Official statistics and publications on mining as one of the country's potential growth sectors are scarce. The sector's share of GDP rose from an average 1.2 per cent. between 1962 and 1964, while last year alone rose by 10 per cent. Its share of commodity exports also rose from 7.2 per cent. in 1972 to 17.2 per cent. last year, and from \$13.6m. in 1970 to \$6m.—and should increase again this year.

Although the 50-year exploitation contract was signed in 1945, production began only in 1959. But the estimated current reserves of 16m. metric tons of bauxite should be exhausted before 1985. This year, in fact, the U.S. recession is expected to result in a drop in Alcoa's production to about 750,000 metric tons and 40 of the company's 265 employees have already been laid off, but exports should revive with recovery in the U.S. economy.

After Jamaica decided to sequence greater revenue from the six foreign bauxite companies operating there last year, the Dominican Government followed suit and negotiations were opened with Alcoa in Santo Domingo. The result was a provisional one-year agreement under which the mine depletion allowance was eliminated, the tax and royalty paid by the company were increased and a supplementary royalty was imposed. As a result, the Government's revenue increased by about 50 per cent.—compared to the 300 per cent. rise obtained by Jamaica—to about \$10m. a year.

Rosario Dominicana, on the other hand, is the most recent entry into the country's mining sector, its first shipments of silver and gold taking place on April 30 this year. The company is a consortium of Rosario Resources of the U.S. (40 per cent.), Simplot Industries (40 per cent.) and the Dominican Central Bank (20 per cent.), although Rosario is the mine operator.

An initial investment of \$45m. was made at Pueblo Viejo, near Bonao in the central highlands, and annual exports worth \$70m. are planned. This year's exports should total 240,000 ounces of gold and 720,000 ounces of silver, although capacity output of 350,000 ounces of gold and 1.5m. ounces of silver should be achieved in 1976 and will make the Republic the seventh largest gold producer in the world.

The giant of Dominican mining, however, is Falconbridge Dominicana, which has a \$200m. investment here in a ferro-nickel project near Bonao, the supervision of which is in the hands of the British company, Sir William Halcrow and Partners. A new international airport is being built there and the runway has been completed for the past year as work way at the seaside town of on the terminal crawls along. Puerto Plata is particularly known for the San Felipe fort which was built on rocks off the town in 1553.

The principal tourist development in private hands is being carried out by the U.S. conglomerate, Gulf and Western, at the town of La Romana, 120 km east of Santo Domingo. Gulf and Western first moved to La Romana in 1967 when it bought the huge sugar mill and 300,000 acres of land. The company then decided to convert the Old Bachelor's Residence into a 72-room hotel, which now also doubles up as the club for company executives. It is a hotel of unusual contrasts: the front looks directly on to the Caribbean, while the back stands close to the sugar mill with its chimneys and constant smell of molasses.

But the success of the government's two projects—at Boca Chica and Puerto Plata—will probably determine whether the country as a whole is to benefit from a tourist take-off in the next decade. One reassuring consideration is that both projects will be closely supervised by the international agencies that are making available financing. Private hotel chains are therefore more likely to be attracted to the projects in the knowledge that the infrastructure is not being built haphazardly. For such companies, there are added fiscal incentives, including a 100 per cent. exemption from income-tax and customs duties and partial exemption from construction taxes.

## MS

so far the Government's recent decision to nationalise the mining sector is a less than ideal political appointee who is uninterested in mining. His young assistant, who has the experience to use the activities of the large foreign concerns in the sector. The result is not only the most Dominican mining operation, but also the only one of information on the country's mining sector.

present, only bauxite, nickel, silver and gold being produced and sold by the three foreign firms. Another 15 concessions have been granted for the extraction of zinc, manganese, iron ore, mercury and clay, although prospecting is not taking place in all 15 since some of the concessions were obtained for strategic purposes. Terms are currently being discussed for the exploitation of oil, which is the oldest mining in the Republic, and other companies began operation in the past three years. The main target of criticism because it was originally signed by the dictatorship of Gen. Leonidas Trujillo.

One result is that the Dominican Government has not received revenues of the dimension it had been led to anticipate when the project was being prepared. For example, it received only \$6.8m. in 1973 and \$0.87m. in 1974 in income-tax from Falconbridge, which pays 33 per cent. tax on profits. And while it received \$285,000 in dividends in 1973, it received no dividends in 1972 or 1974. The company nevertheless claims that the Republic received about \$30m. in taxes and wages paid to the 1,963 local employees (there are a further 105 foreigners working for the company).

For the moment, however, there is no indication that the Government is dissatisfied with its lot, although it would be no surprise if it were eventually to demand that the company either pay tax on its operating profit before interest on its debt is covered or simply pay a higher rate of tax on its net earnings. In either case, it would compensate for the absence of dividends on the Government's 9.5 per cent. share of the capital.

The areas under cane have increased steadily over the past few years, although they still do not exceed 10 per cent. of all cultivable land. This year, for example, the cane plantations increased by 30 per cent. to over 250,000 hectares and this would have been reflected in a sharp

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For sugar producers, particularly those in the Western Hemisphere, the sales out-

## Tourism

CONTINUED FROM PREVIOUS PAGE

Boca Chica looks out into the Bay of Andres where the greenish-blue water is clear and ideal for underwater fishing.

The other major development, port is being built there and eventually expected to cost about \$80m., is already under way at the seaside town of Puerto Plata on the northern coast. The country's northern beaches are the most beautiful and, if the Puerto Plata project is successful, development will continue east along that coast. The World Bank has lent the Dominican Republic \$39m. for this project, the design and

supervision of which is in the hands of the British company, Sir William Halcrow and Partners. A new international airport is being built there and the runway has been completed for the past year as work way at the seaside town of on the terminal crawls along. Puerto Plata is particularly known for the San Felipe fort which was built on rocks off the town in 1553.

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## INSURANCE, PROPERTY, BONDS

### REGIONAL MARKETS

Index	Value	Change
100	100.00	0.00
200	200.00	0.00
300	300.00	0.00
400	400.00	0.00
500	500.00	0.00
600	600.00	0.00
700	700.00	0.00
800	800.00	0.00
900	900.00	0.00
1000	1000.00	0.00

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UNAUDITED INTERIM STATEMENT		
Month ended 30th June	£	£
Revenue	2,561,064	2,036,147
Cost of Sales	479,243	393,062
Gross Profit	2,081,821	1,643,085
Operating Expenses	39,880	38,220
Operating Profit	1,050,969	717,421
Assets	1,368,169	1,025,965
Liabilities	11.7p	10.4p

remaining 50% of the issued share capital of Grotrian Ltd. was acquired on 14th April 1975. The directors have not been asked to consider the inclusion of it as it is the opinion of the directors that the inclusion of it would be of no real value to members in view of the insignificant amount involved during the period under review. The intention to consolidate Grotrian's accounts at 31st March 1975.

directors have declared an interim dividend of 1.944p share (1974: 1.911p) which, after taking into consideration credit of 35p, is equivalent to a gross dividend of 2.294p (1974: 2.266p). This is the maximum permissible under the company's current Anti-inflation Policy. The dividend will be paid on 7th November 1975 to shareholders on the register at close of business on 17th October 1975.

entions are that the Company will achieve another factory year.

## APOLLO

Edited by Denis Sutton

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## OFFSHORE AND OVERSEAS FUNDS

<b>Albany Management Co. Ltd.</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Charterhouse (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>First Unit Trust (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Global Unit Trust (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Harbour Unit Trust (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Highland (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Investment (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Life Insurance (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>London (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Managers (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Midland (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>North (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Overseas (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Prudential (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Real Estate (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Security (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>St. James (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Target (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Transatlantic (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Trusts (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Unit Trusts (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Windsor (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>World (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Yorkshire (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth	<b>Zurich (a)</b> 100% Equity 100% Dividend 100% Yield 100% Growth
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## NOTES

64	*Values where indicated, prices and net dividends are
65	source and distributions are 25%. Estimated preferential
66	values and covers are based on latest annual reports and accounts
67	adjusted to A of 35 per cent. PEAs are calculated on the basis
68	of distribution: indicated figures indicate 10% per cent. or
69	more. *Indicated figures are based on latest annual reports and
70	accounts. *Values where indicated, prices and net dividends are
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76	accounts. *Values where indicated, prices and net dividends are
77	source and distributions are 25%. Estimated preferential
78	values and covers are based on latest annual reports and accounts
79	adjusted to A of 35 per cent. PEAs are calculated on the basis
80	of distribution: indicated figures indicate 10% per cent. or
81	more. *Indicated figures are based on latest annual reports and
82	accounts. *Values where indicated, prices and net dividends are
83	source and distributions are 25%. Estimated preferential
84	values and covers are based on latest annual reports and accounts
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87	more. *Indicated figures are based on latest annual reports and
88	accounts. *Values where indicated, prices and net dividends are
89	source and distributions are 25%. Estimated preferential
90	values and covers are based on latest annual reports and accounts
91	adjusted to A of 35 per cent. PEAs are calculated on the basis
92	of distribution: indicated figures indicate 10% per cent. or
93	more. *Indicated figures are based on latest annual reports and
94	accounts. *Values where indicated, prices and net dividends are
95	source and distributions are 25%. Estimated preferential
96	values and covers are based on latest annual reports and accounts
97	adjusted to A of 35 per cent. PEAs are calculated on the basis
98	of distribution: indicated figures indicate 10% per cent. or
99	more. *Indicated figures are based on latest annual reports and
00	accounts. *Values where indicated, prices and net dividends are

Sterling denominated securities which include investment  
 fund premium.  
 Trust Stock.  
 Trusts where marked thus have been adjusted to allow  
 rights issues for cash.  
 Interest class increased or required.  
 Interest when reduced, issued or deferred.  
 Trust-free to non-residents.  
 Figures in parentheses indicate dividend or interest.  
 Banks and Insurance: reserve allocations may preclude  
 calculation of dividend cover.  
 Certain firms may have a dividend or rights issue  
 indicated dividend after pending scrip issue or rights issue.  
 Free of Stamp Duty.  
 Member bid or reorganization in progress.  
 Not variable.  
 Some figures: reduced full and/or reduced earnings  
 indicated.  
 Not variable.  
 Figures based on prospectus or other official estimates.  
 Dividend or ranking only for restricted dividend.  
 Dividend or ranking only for restricted dividend.  
 Dividend at a future date. No P/E ratio usually provided.  
 Excluding a future dividend declaration.  
 No par value.  
 Figures based on prospectus or other official estimates.  
 Tax free.  
 Cents. Dividend rate paid or payable on capital.  
 Dividend cover based on dividend on full capital. \* Estimated.  
 Assumed dividend and yield based on latest annual reports.  
 Assumed dividend and yield after scrip issue. \* Payable  
 from capital sources. \* Kenya, as Interim higher than  
 permanent.  
 Figures, \* Australian currency. \* Dividend and yield each  
 a special payment. \* Indicated dividend cover relates  
 to special dividend only. \* Assumed dividend and yield  
 based on prospectus or other official estimates for 1977-78.  
 Forecast dividend cover based on previous year's earnings.  
 Tax free up to 50p in the £. \* Yield after tax for current  
 dividend and yield based on dividend on ordinary shares.  
 Dividend and yield include a special payment: Cover does  
 not refer to dividend and yield. \* Preference dividend passed  
 after dividend and yield. \* Dividend and yield based on  
 C. Canadian. C. Canadian. E. Issue price. G. Assumed dividend  
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## Jobs Bill defeat on 'conscience' clause

BY JOHN HUNT

THE GOVERNMENT suffered a heavy defeat on the Employment Protection Bill in the Lords yesterday when the Liberals successfully passed an amendment giving employees the right to refuse to belong to a trade union on the grounds of conscience.

The amendment, supported by the Conservatives and some Labour peers, was approved by a majority of 67 against the Government (121-54) during the committee stage of the Bill. There was also a further defeat later on another section.

If the peers continue to amend important Government Bills at an increasing rate and the Government seeks to restore the changes in the amendments, the Cabinet will clearly be under heavy pressure in completing its legislative timetable by the end of the "spill-over period" of the present session, which begins on October 13.

Already the Government has plans to extend this period to about a month, but to prolong it even further would produce difficulties over the opening of the next Parliamentary session.

Particularly if the Chancellor of the Exchequer were to decide that an autumn Budget and a new Finance Bill were necessary. The Lords' defeat of the Government on the Bill are only a taste of Conservative peers' intentions to amend even more controversial Commons legislation, including the Submarine Pipelines Bill, the Community Land Bill and above all, the controversial Industry Bill establishing the National Enterprise Board.

There may also be a lengthy confrontation between the Government and the Lords, if no compromise can be reached, on recent Lords amendments to the Employment Bill dealing with the freedom of the Press. So far, Mr. Michael Foot, the Employment Secretary, has shown no signs of accepting Lord's amendments to the Bill.

Last night's amendment radically changes a section which has been the centre of much controversy inside and outside the Commons. As it stood, the paragraph in the Bill said that an employee should not have any action taken against him by his employer if he refused to belong to a union on the grounds of religious belief. The amendment strikes out the words "religious belief" and replaces them by the word "conscience".

The Government's other defeat came when an amendment of its own was voted down by a majority of 18 (49-22). This amendment would have made it possible to convert the present agricultural wages boards into statutory joint industrial councils with wider powers to rule on remuneration, holidays and other terms of employment.

As a result of the defeat, the Government dropped a whole series of amendments designed to implement the change-over to statutory joint industrial councils.

In a separate announcement, the Ministry of Defence also said yesterday that the RAF would get 15 Westland Sea King helicopters for search and rescue duties round the coast. In an overall cost of £20m, including spares, for delivery in 1977 and 1978.

The missile decision, announced in the Lords yesterday by Lord Winterbottom, on behalf of the Secretary for Defence, caused some redeployment at both BAC and HSD factories at Stevenage and Hatfield, and perhaps also some redundancies at the latter, although he claimed that the consequences should not be too severe.

So far as BAC is concerned, the re-allocation is being given for full development of the Sea King helicopter-borne anti-tank missile, while efforts are also to be made to get licence-production in Britain of the Franco-German Milan.

Both these ventures are likely to absorb much of the labour that will be released from Hawkwing and Beeching, and ease the strain on BAC.

But Lord Winterbottom admitted that ending Sub-Market would cause problems for HSD. "Other projects which the company has in hand are unlikely to absorb all the design staff who will become available. Some loss of jobs is therefore unlikely to be avoidable," he said. About 300 design staff and other workers have been involved on Sub-Market.

But the Government also recognises the danger of losing HSD's missile design capability, and it is planning talks with the company to fix the details of a new programme of research and development on future missile systems for the 1980s. No further details of this programme have been revealed.

A similar programme will be discussed with Marconi Space and Defence Systems, which has been engaged on the electronics aspects of the Sub-Market, especially on the radar homing head for the missile.

Lord Winterbottom claimed that the development of Sea King would provide the Navy's frigates and destroyers with a strike capability stretching beyond the horizon. "It is the only weapon of its kind in the world and it has aroused keen interest in a number of foreign navies."

Commenting on the proposed purchase of the Milan anti-tank missile, Lord Winterbottom said it was the only missile available that met the requirements for a man-portable weapon for the infantry. It was already in service with the French and German armies.

In negotiations for its procurement, our aims will include the establishment of a full-scale production line in Britain and agreed arrangements for European collaboration on weapons of this kind in the future.

We shall also be aiming for a fair share of overseas sales of Milan. The Government's final decision on Milan will naturally be subject to the achievement of satisfactory terms.

## U.K. to cancel two major guided weapons

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE U.K. is to cancel two major guided weapons now under development by the aerospace industry, and buy instead weapons built in the U.S. and France and Germany if the terms are right.

The missiles involved are: 1. The submarine launched anti-ship Sub-Market, under development by Hawker Siddeley Dynamics—being cancelled in favour of buying the Franco-German Harpoon anti-ship missile.

2. The British Aircraft Corporation Hawkwing helicopter-borne anti-tank weapon, and it is planning talks with the company to fix the details of a new programme of research and development on future missile systems for the 1980s. No further details of this programme have been revealed.

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## Cash projections for the market

The stock market's capacity to absorb bad news was finally exhausted yesterday. Against a disturbing background of international currency turmoil, with sterling slumping to a trade-weighted depreciation "closing level" only exceeded on June 30, the impending anti-unemployment measures were bound to leave nerves frayed.

Meanwhile, Greenwell's Monetary Bulletin reports its earlier warnings about the build-up of reserve assets in the banking system—dramatically illustrated by the leap in the Treasury Bill issue—and suggests that August may turn out to have been the turning point of M3, the broadly based money supply. A similar argument is taken up by Phillips and Drew, who estimate that the growth of M3 is likely to pick up to the 15-20 per cent range over the next year or two.

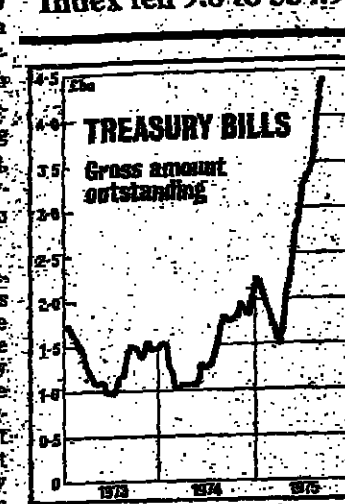
The dilemma for those attempting to forecast future trends in the capital markets is that although institutional cash flows will be buoyant, the public sector's financial requirements will be tending to push up interest rates. Thus P and D expect that the current bullish forces in the long gilt market will tend to become cancelled out by the early part of 1976.

But Wood Mackenzie have arrived at a rather more favourable conclusion in applying a similar analysis to the equity market. The key point, they emerge is the growing importance of pension funds. Although their revenues of £1.54bn in 1974 were slightly less than the £1.61bn of insurance funds, the position will be reversed this year. And while insurance companies have lost faith in equities—with net disinvestment even in the first quarter of 1975 the pension funds have to take a much more positive view of equities because they can have scant hope of a real return in gilts.

So pension funds could put a net £1bn into equities in 1975, out of total institutional investment of £1.4bn. Add that to the £1.4bn of new equity issues, and that depending on the pace of rights issues (WM are keeping a wary eye on the clearing banks), would be enough on the brokers' assumptions to push prices substantially higher than at present. Even so, as a bull market this is likely to be a very muted affair.

That is understandable, if Mr. Denis Healey's remarks in "Newsweek" represent the

Index fell 9.8 to 334.9



Government's full grasp of industry's difficulties. "The real problem," he says, "is that British businessmen tend to insist on a very high return on capital, but achieve it with a small turnover." So much for poor Mr. Sandilands.

Northern Foods

For the ten months to July, Northern Foods' profits are up from £3.9m to £7.06m pre-tax and thus are already £2.3m ahead of the total for the whole of 1973-74. The performance reflects high dairy margins in a period of unprecedented price adjustment; the banana summer for brewing; a turnaround out of losses in bakeries; and a sharp recovery in instalment credit. Naturally, the figures provide an impressive background for Northern's proposed £8.7m (net) rights issue at par.

Overall the group is going to north-up profits of around £3m pre-tax which will take the five-year average return on capital employed to over 20 per cent. And Northern is confident of further growth in 1975-76. Of the dairy side—roughly two-thirds of total turnover—liquid milk volumes and prices are still moving upwards and Northern has high hopes for its manufacture lines—mostly condensed milk for the confectionery trade, assured of another year where something over £10m will probably have been spent in the three years to 1976-77; but borrowings are currently £1m down on September 1974 levels at £17.2m, excluding the £1.2m finance side. Up 6p to 87p yesterday, the shares yield 5.9 per cent ex-rights, with cover still topping 24 times.

See also Page 20

### Weather

**U.K. TO-DAY**  
BECOMING cloudy, with rain or drizzle in most areas. London, S.E. England, E. Anglia, Channel Isles  
Mainly fair, sunny periods. Wind W. moderate. Max 18C (64F).  
Cent. S. and S.W. England, S. Wales  
Fair, sunny periods, becoming cloudy with occasional drizzle and hill fog. Wind W. moderate becoming S.W., fresh. Max 18C (64F).  
E. and W. Midlands, E. and Cent. N. England  
Mainly fair, sunny periods, becoming cloudy. Wind W. moderate becoming S.W., fresh. Max 17C (63F).  
N. Wales, N.W. and N.E. England, Lakes, Isle of Man, Borders, Edinburgh, Dundee, S.W. Scotland, Glasgow, N. Ireland  
Sunny periods, occasional showers, becoming cloudy with rain and hill fog. Wind W. moderate becoming S.W., strong. Max 15C (59F).  
Outlook: Rain in most districts. Lighting-up: London 19.20, Manchester 19.35, Glasgow 19.44, Belfast 19.50.

### BUSINESS CENTRES

City	Y-day	Mid-day	Y-day	Mid-day
Amsterdam	18.84	18.84	18.84	18.84
Antwerp	18.84	18.84	18.84	18.84
Bahia	18.84	18.84	18.84	18.84
Bombay	18.84	18.84	18.84	18.84
Buenos Aires	18.84	18.84	18.84	18.84
Calcutta	18.84	18.84	18.84	18.84
Canton	18.84	18.84	18.84	18.84
Cebu	18.84	18.84	18.84	18.84
Hankow	18.84	18.84	18.84	18.84
Hong Kong	18.84	18.84	18.84	18.84
Kobe	18.84	18.84	18.84	18.84
London	18.84	18.84	18.84	18.84
Lyons	18.84	18.84	18.84	18.84
Manila	18.84	18.84	18.84	18.84
Medan	18.84	18.84	18.84	18.84
Osaka	18.84	18.84	18.84	18.84
Paris	18.84	18.84	18.84	18.84
Rangoon	18.84	18.84	18.84	18.84
San Francisco	18.84	18.84	18.84	18.84
Singapore	18.84	18.84	18.84	18.84
Sourabaya	18.84	18.84	18.84	18.84
Tokyo	18.84	18.84	18.84	18.84
Yokohama	18.84	18.84	18.84	18.84

### HOLIDAY RESORTS

City	Y-day	Mid-day	Y-day	Mid-day
Alicante	18.84	18.84	18.84	18.84
Algiers	18.84	18.84	18.84	18.84
Barcelona	18.84	18.84	18.84	18.84
Bordeaux	18.84	18.84	18.84	18.84
Buenos Aires	18.84	18.84	18.84	18.84
Calcutta	18.84	18.84	18.84	18.84
Canton	18.84	18.84	18.84	18.84
Cebu	18.84	18.84	18.84	18.84
Hankow	18.84	18.84	18.84	18.84
Hong Kong	18.84	18.84	18.84	18.84
Kobe	18.84	18.84	18.84	18.84
London	18.84	18.84	18.84	18.84
Lyons	18.84	18.84	18.84	18.84
Manila	18.84	18.84	18.84	18.84
Medan	18.84	18.84	18.84	18.84
Osaka	18.84	18.84	18.84	18.84
Paris	18.84	18.84	18.84	18.84
Rangoon	18.84	18.84	18.84	18.84
San Francisco	18.84	18.84	18.84	18.84
Singapore	18.84	18.84	18.84	18.84
Sourabaya	18.84	18.84	18.84	18.84
Tokyo	18.84	18.84	18.84	18.84
Yokohama	18.84	18.84	18.84	18.84

## BP pipeline sabotage 'work of Tartan Army'

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

CONTROL EQUIPMENT on British Petroleum's onshore pipeline from its North Sea Forties oilfield was sabotaged for the second time in less than a fortnight yesterday near Perth.

Responsibility for the explosion—caused by what Tayside police called "a fairly sophisticated home-made device" with a timing mechanism—was claimed by the so-called "Tartan Army".

It is the ninth such incident in Scotland in the last four years and the seventh for which responsibility has been claimed by the militant nationalist Tartan Army. Others have been attributed to groups which have called themselves by such names as the "Border Clan" and the "Scottish Liberation Army".

After the latest incident, which damaged a valve control compound on the 130-mile pipeline near Kilfrank, at the side of the main Perth-Dundee road, a man telephoned the Glasgow office of The Scotsman newspaper.

He said that the Tartan Army had no intention of endangering human life. Its sole aim was to "further the cause of Scotland" and to "reach the people of Scotland through the Scottish National Party".

Police forces in Scotland have so far had little success in tracing those responsible for these explosions, though this week Strathclyde police force has established its own special bomb squad to investigate recent minor explosions on the Dumbarton-Glasgow railway line and in the Clyde tunnel.

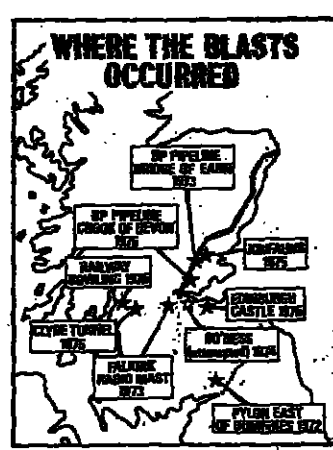
Earlier this year five men were sentenced in the High Court in Glasgow to a total of 34 years' imprisonment, after being found guilty of conspiring criminally to further the aims of what was called "the army of the provisional Government of Scotland." Among the crimes for

which they were also found guilty were an £8,000 Glasgow bank robbery and the possession of explosives and detonators.

The Scottish National Party has consistently disclaimed any knowledge of what one of its spokesmen termed "a loose group of disorganised, over emotional and misguided men." The party's leaders are mystified that such incidents should continue at a time when the legitimate political advance of the party never seemed more promising.

Those claiming responsibility for the explosions—which have frequently been minor—have rarely given coherent reasons for their actions. Four of the explosions have been directed against BP's pipeline.

The latest follows one earlier this month which damaged telephony equipment at another control point of the same pipeline near Crook of Devon in Kinross.



WHERE THE BLASTS OCCURRED

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Continued from Page 1

## Ulster

Craig but rejected by most of his UUUC colleagues.

John Hunt writes: Lord Hailsham, former Tory Lord Chancellor, bluntly warned the Government that it expected the blarney policy on Northern Ireland to continue at Westminster if it would have to take the Opposition more fully into its confidence.

Speaking from the Opposition front bench after a Government statement on the latest bombings, he voiced the strong misgivings within his own party and among Ulster moderates at the recent drift of events.

The split between Labour and Tories over Ulster has been growing throughout the summer recess, although yesterday's statement in the Lords was the first opportunity for the Conservatives to voice their doubts.

Lord Hailsham said there was a strong feeling in his party that the Opposition had not been taken into the Government's confidence to the extent that Mr. William Whitelaw had conceded in the Labour opposition when he was Northern Ireland Secretary.

A Londonderry youth was last night charged with sending letters to "shadow" Foreign Secretary Reginald Maudling in 1974 and to the Stock Exchange in 1973. He was flown from Ulster to London by special RAF aircraft, and will appear at Bow Street to-day.

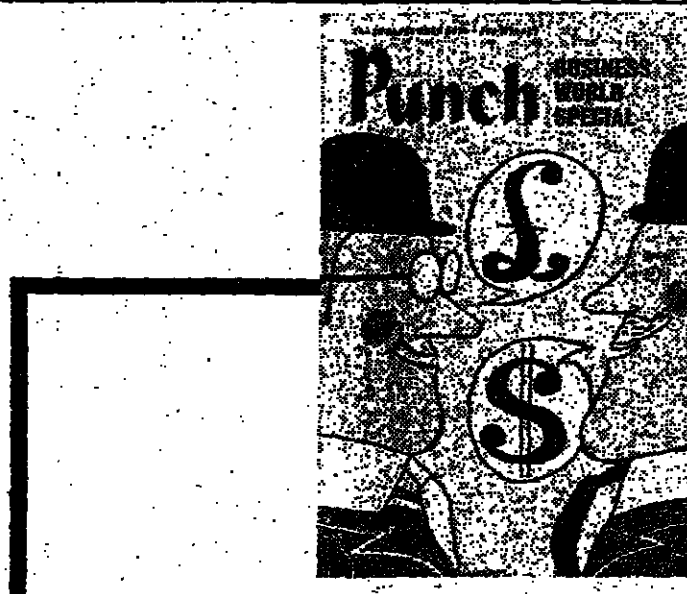
While predicting that the impact of the North Sea on the U.K. balance of payments have come from brokers Hoare and Company.

When capital movements are taken into account, the overall North Sea balance of payments will register a £800m surplus next year rising to £2,700m by 1980, but then falling off as broad feeling in the industry is medium-term loans are repaid, it forecasts.

At this stage, therefore, the interest in the industry is that another licence round will attract applicants, provided the financial and work commitment terms are reasonable. But it is thought unlikely to attract anything like the enthusiasm of previous rounds and unlikely to be attractive enough to play any significant part in winning companies to accept participation on existing licences.

Forecast

In the meantime, some relatively encouraging forecasts of the impact of the North Sea on the U.K. balance of payments have come from brokers Hoare and Company.



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